

What's News

Business & Finance

- ◆ **Bitcoin prices hit a record**, reaching \$80,000 for the first time, as traders bet that Trump's return to the White House and a more friendly Congress will spark a renaissance for digital currencies. **A1**
- ◆ **Before Jane Lauder quit** as an Estée Lauder executive vice president, she called for the ouster of her cousin William Lauder from the beauty company's top board seat. **A1**
- ◆ **Amazon is testing** new grocery formats that blend its broad assortment of online goods with in-person shopping, as the giant e-commerce retailer strains to expand its role in the grocery market. **B1**
- ◆ **Bond investors face** a more complicated environment following Trump's electoral victory, with inflation, deficits and interest rates all high and the possible effects of a range of new policy proposals still unclear. **B1**
- ◆ **AMC posted lower** revenue in its latest quarter on weaker performance across all its business segments amid a loss of subscribers and mixed advertising demand. **B3**
- ◆ **The movement of cargo** through Canada's second-largest seaport halted after Port of Montreal dockworkers rejected a revised pay offer from employers. **B3**
- ◆ **ChatGPT has upended** Chegg's business model for online education, offering free alternatives to the answers the company spent years developing and charging for via subscription. **B1**

World-Wide

- ◆ **Trump demanded** that the next Republican leader of the Senate agree to allow him to push through at least some nominees without requiring a vote, a move that would give more power to the White House to get around congressional opposition. **A4**
- ◆ **The wheels are now** in motion to help Trump act on an ambitious "day one" agenda involving policy and personnel shake-ups, such as mass deportations and the firing of generals. **A6**
- ◆ **Justice Sonia Sotomayor** has no plans to retire from the Supreme Court, people close to her said, despite calls from some liberal activists for the justice to step down while Democrats can still fill her seat. **A3**
- ◆ **A ruling council** created to restore order and steer a democratic transition in Haiti fired the country's acting prime minister amid a new wave of political turmoil and gang violence. **A8**
- ◆ **Qatar said it paused** its efforts to mediate a cease-fire in the Gaza Strip, citing a failure by Israel and Hamas to make progress in the talks. **A8**
- ◆ **FEMA terminated** an employee who the agency said told her survivor-assistance team to avoid homes with yard signs supporting Trump. **A3**
- ◆ **New York City had** a weekend of mostly blue skies marred by acrid smoke and air-quality advisories after brush fires fueled by dry conditions erupted around the region. **A3**
- ◆ **Died: Judith Jamison**, 81, acclaimed dancer. **A2**

JOURNAL REPORT

Alternative Energy: How to disaster-proof the grid. **R1-6**

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Russians inspected a damaged drone in the village of Sofyino on Sunday. Fighting has surged between Russia and Ukraine, as Kyiv worried it would end up on the short end of any peace deal as Donald Trump prepares to take power again. **A8**

Trump Sees Deals, Deterrence As Tactics for Perilous World

With the world a more dangerous place than when President-elect Donald Trump first took office, current and former advisers expect he will navigate widening conflicts by building deterrence against foreign rivals while favoring transactional policies with U.S. allies.

The U.S. hasn't been feared enough overseas during the Biden administration, according to these advisers. By showcasing American economic and military might, the second Trump presidency should bring peace or, at minimum, prevent further escalation in Ukraine, the Middle East and beyond, they said.

"It's going to be a return to peace through strength. Deterrence is going to be restored," said Trump's former national security adviser Robert O'Brien, who could play a senior role in the incoming administration. "American adversaries understand that the things they've gotten away

with over the last four years will not be tolerated any further."

Executing such policies is easier said than done, especially with Russia, Iran and North Korea coalescing into an informal military alliance that has the economic and diplomatic backing of a rapidly rearming China.

When Trump tried and failed in 2019 to negotiate a nuclear deal with North Korean leader Kim Jong Un in Hanoi, the problem of the Korean Peninsula could be tackled in relative isolation. That

is no longer the case in many of the world's toughest hot spots, a former Trump White House official said.

"With North Korean soldiers serving with the Russians to kill Ukrainians using Iranian missiles, who are selling their oil to the Chinese, just the interconnectedness of all of these different policy areas is something we didn't

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- ◆ **Democrats are seeking out new leaders..... A4**
- ◆ **What Trump has pledged to do on day one..... A6**

By Yaroslav Trofimov, Lara Seligman and Alexander Ward

Calls for 'Jew Hunt' Preceded Amsterdam Attacks

AMSTERDAM—Israeli financial adviser Ofek Ziv had just emerged from the metro, heading to the Dutch capital's central Dam Square with a group of Maccabi Tel Aviv soccer fans, when he said he was struck in the back of the head with a rock. A firecracker exploded near him. Men in ski masks later appeared, wielding knives and bats.

By Stacy Meichtry, Kim Mackrael and Anat Peled

The assailants, he said, "had fire in their eyes. They want to catch you."

Ziv and scores of other Maccabi supporters had traveled to the Dutch capital for a match with local team Ajax on Thursday night. Little did they know that, earlier in the day, they had become a topic of discussion on popular messaging apps, where users were calling for a Jodenjacht, or "Jew hunt."

From late Thursday and into the early hours of Friday, Dutch authorities said, mobs unleashed a wave of violence, chasing Israelis through the streets on motorbikes and beating them. The attacks came after videos circulated online of Maccabi fans pulling down a Palestinian flag and chanting about Israel's war against Hamas in Gaza. Police said 25 to 35 people were injured in Amsterdam.

The campaign was organized by a group of people. *Please turn to page A10*

INSIDE



PERSONAL JOURNAL
Lower-calorie wine catches on as makers bet on health-conscious drinkers. **A13**



BUSINESS & FINANCE
New Clint Eastwood film sees a muted release by Warner Bros. **B1**

Dad's Doing Jell-O Shots—It Must Be Parents' Weekend

Fall tradition at colleges used to mean tours and speeches; now parents want to party

By Tara Weiss

As she geared up to visit her daughter at the University of Arizona last month, Melissa DeLeon stuffed her Lululemon fanny pack with the bare essentials: Disposable beer koozies, hair ties, Drip Drop hydration powder and red Wet Ones wipes.

Fall is the height of parents' weekend at colleges across the country. While schools might offer campus tours, welcome speeches, mingling with professors and other wholesome activities, many parents have other plans. They want to party.

And in a twist, at least some of their kids are totally

cool with it.

"They're so excited we're there because it's a different aspect of the parental relationship," said DeLeon, 53, of Overland Park, Kan. Her memory of parents' weekend at her alma mater, the University of Missouri, was her parents came for lunch, attended the football game and left. All they needed was a credit card.

Over nine parents' weekends across three schools, DeLeon has played beer pong and flip cup. She has braved countless filthy, toilet-paperless frat house bathrooms. She once held a student's hair while she vomited. "You smile

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Jane Lauder Sought Ouster of Cousin At Estée Lauder

By Emily Glazer and Natasha Khan

In early September, some board members at Estée Lauder received a private letter calling for a shake-up: Longtime executive chairman William Lauder was destroying the company and needed to go.

The message wasn't sent by an activist investor in the struggling beauty giant. It came from another member of the founding family: William's cousin and fellow board member Jane Lauder.

The cosmetics heiress and Estée Lauder executive sent the scathing missive after she learned she had lost out on the competition to be the next CEO of the company started by her grandmother, according to people familiar with the matter.

Jane wasn't pleased, the people said, and was talking to some board members about whether she could become the executive chair, the role William held since 2009. Instead, a vice chair role was offered to her.

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AI's Power Needs Spark Three Mile Island Redux

By Jennifer Hiller and Katherine Blunt

At a small gathering for CEOs last year, OpenAI co-founder Sam Altman made a stunning pronouncement: Future data centers for some artificial-intelligence models would require as much power as a large city.

Among those taken aback in the group gathered at Microsoft's headquarters was Joe Dominguez, the chief executive of Constellation Energy, which produces more than a fifth of U.S. nuclear power.

"My first reaction is, 'Wow, these guys are going to be in for a rude awakening about how much power is actually going to be available,'" he said. "It was like a lightning bolt hit me."

Dominguez returned to Baltimore after the May 2023 meeting with an audacious idea: What if his company restarted the undamaged reactor at Three Mile Island, the site of the country's most infamous nuclear-power accident?

Reopening an existing nuclear plant could address several problems, Dominguez thought. Tech companies need power 24/7 for AI and prefer clean-energy sources. But accessing the nation's packed grid is difficult in many places, and the intermittence of power from new wind and solar projects makes them an imperfect solution.

What ensued was months of engineering work, including the frantic restoration of a training simulator that had

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U.S. NEWS

THE OUTLOOK | By Josh Mitchell and Tom Fairless

Trump Dealt Strong Economic Hand on Trade

Donald Trump will retake office in a global economy substantially transformed from eight years ago—one much more reliant on the U.S.

It means that the president-elect's plans, including across the board tariffs, could pack an even greater wallop on other countries than the first round of "America First" economic policy. It also gives Trump much more leverage in negotiations over trade policy.

Strong growth since the pandemic has expanded the U.S.'s weight in the global economy. Its share of output among the Group of Seven wealthy nations is higher than at any point since at least the 1980s, International Monetary Fund data shows.

Growth in China, the world's second-largest economy, has slowed. Germany, the largest European economy, is contracting. Many poorer economies are buckling under the weight of high debt.

U.S. gains in global output partly reflect the strong dollar, which pushes up the value of American output relative to that of foreign economies. But they also result from substantial increases in

U.S. productivity compared with the rest of the world.

The changes in the global economy have made America, not China, the premier destination for foreign direct investment, enlarging the exposure that foreign companies have to the U.S. economy and changes in government policy. A booming U.S. stock market has attracted huge flows of investment dollars.

"The fact that much of the rest of the world is now struggling to generate demand on its own provides more reason for countries to try to reach some sort of accommodation with Trump," said Brad Setser, a senior fellow at the Council on Foreign Relations.

Trump started imposing tariffs in 2018, primarily on China but also on Europe and other allies. Those tariffs fractured global trade, weighing on large exporting economies in Asia and Europe, while not obviously hurting the U.S., which is less reliant on foreign demand than its trading partners. Trump campaigned on a promise to impose at least a 60% tariff on China, and an across-the-board tariff of 10% to 20% on everywhere else.

America's superior economic performance has been driven in part by energy independence and massive government spending, said Neil Shearing, chief economist at Capital Economics in London. Since the U.S. now exports more energy than it imports—including millions of barrels of oil each month to China—the nation as a whole benefits when energy prices rise, unlike for net importers such as China and Europe.

U.S. share of G-7 gross domestic product



Note: The G-7 is made up of the U.S., Canada, the U.K., Germany, France, Italy and Japan. GDP is based on U.S. dollars. Source: International Monetary Fund

The upshot: America's traditional role as the center of gravity in the global economy has become even more pronounced in the years after

ter Trump's first-term tariffs, the pandemic, and Russia's full-scale invasion of Ukraine.

U.S. influence over Europe's economy is a case in point. The U.S. has cemented its position as Europe's largest export market as trans-Atlantic trade surged in recent years and China's imports from Europe stalled. The U.S. has replaced Russia as Europe's major source of imported energy. Europe runs big trade surpluses with the U.S. but big trade deficits with China.

The result is access to the U.S. market is far more important for Europe than access to European markets for the U.S. That asymmetry will give Trump leverage in trade negotiations with Europe, according to economists.

Germany exports around 7% of its entire manufacturing value-added to the U.S., but Germany imports only around 0.8% of value-added in U.S. manufacturing, according to a September paper by researchers at Germany's Ifo Institute for Economic Research.

"German business is vulnerable to Trump," said Marcel Fratzscher, president of the Berlin-based economic research institute DIW Berlin.

Parts of Asia have benefited from the changes in supply chains sparked by Trump's initial trade war with China. Many manufacturers, including Chinese ones, moved factories to places such as Vietnam and Cambodia. For the past two quarters, Southeast Asia's exports to the U.S. have exceeded those to China.

But that now leaves them more exposed to across-the-board tariffs, a policy that Trump advisers say will be

necessary to force manufacturing back to the U.S.

To be sure, Trump's policies could create countervailing forces. Tariffs would decrease imports and potentially weigh on productivity, but tax cuts would drive up household and business spending, including, inevitably, on imports. Other countries could retaliate by placing tariffs on U.S. goods.

Meanwhile, a tight U.S. labor market has pushed up wages, which is good for those workers. But it could pressure employers to raise prices, in turn making them vulnerable to foreign competition.

Many economists are girding for a different type of trade war from Trump 1.0, when trade fell between the U.S. and China but was diverted elsewhere.

"As long as protectionism refers only to one country, China, the world can live with this," said Joerg Kraemer, chief economist at Commerzbank.

"The thing becomes difficult or dangerous if you implement tariffs on all countries. This would be a new era in global trade."

◆ **Heard on the Street: An economic reckoning..... B9**

U.S. WATCH



Judith Jamison, tall, graceful and expressive, became one of the most famous performers at the Alvin Ailey American Dance Theater, and later served as its artistic director. Seen above in 1973, she died Saturday in New York after a brief illness.

OBITUARY

Judith Jamison, 81, Acclaimed Dancer

Judith Jamison, an internationally acclaimed dancer who later served as artistic director of the Alvin Ailey American Dance Theater for two decades, has died. She was 81.

Jamison died Saturday after a brief illness in New York, surrounded by close friends, Ailey company spokesperson Christopher Zunner said.

"We remember and are grateful for her artistry, humanity and incredible light, which inspired us all," Zunner said.

Jamison grew up in Philadelphia and trained there in ballet from a young age. At a time when Black dancers were rare in ballet, she began with the Alvin Ailey American Dance Theater in 1965.

Tall, graceful and expressive, she became one of the company's most famous performers and a muse for Ailey. Jamison had star turns in two of Ailey's signature dances, "Revelations" and "Cry." She danced with the Ailey company for 15 years before leaving to perform on Broadway and as a guest artist with other ballet companies.

Jamison later returned to the Ailey company as its artistic director for 20 years. She is widely credited with helping to make it one of the most successful dance companies in the U.S.

As a dancer, choreographer, director and speaker, her distinguished career leapt over barriers of race and gender.

—Associated Press

ALABAMA

Arrest Is Made After Shooting

ATLANTA—A shooting early Sunday during homecoming weekend at Tuskegee University in Alabama left one person dead and injured 16 others, a dozen of them by gunfire, authorities said. One arrest was announced hours later.

The Alabama Law Enforcement Agency said Jaquez Myrick, 25 years old, of Montgomery, was taken into custody while leaving the scene of the campus shooting and had been found with a handgun with a machine gun conversion device. The agency said in a statement that Myrick faces a federal charge of possession of a machine gun.

The agency didn't accuse him of using the gun in the shooting or provide additional details.

The agency didn't say whether Myrick was a student at the historically Black university where the shooting erupted as the school's 100th Homecoming Week was winding down.

Authorities said an 18-year-old man who died wasn't a university student but that some of the injured were students.

It wasn't immediately known if Myrick had an attorney who could speak on his behalf.

Tuskegee University canceled classes Monday and said grief counselors will be available in the university's chapel to help students.

—Associated Press

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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.

Letters to the Editor: Fax: 212-416-2891; email: wsjletters@wsj.com

Bitcoin Surges To Record

Continued from Page One

collapse of exchange FTX. Bitcoin prices have more than doubled over the past year.

Now, the crypto world expects Trump and the next Congress will deliver what it has long desired: rules that treat it differently from Wall Street.

Trump, a Republican, has vowed to ease the regulatory burden on crypto and create a reserve to hold the nation's bitcoin supply. Congress will soon be full of lawmakers—young and old—who believe cryptocurrency is a unique asset class that shouldn't be regulated like stocks and bonds.

Eric Trump, one of the president-elect's sons, retweeted a meme after the election of a bitcoin flag flying over the White House, a post that captures the hope felt by many in the crypto world.

"We've turned a corner," said Kristin Smith, chief executive of the Blockchain Associa-

tion, an industry lobbying group. "Our worst days as an industry are behind us, and we are on a path to getting appropriate and lasting policy."

Several industry executives touted Moreno's victory celebrated their role.

"Being anticrypto is simply bad politics," Armstrong, chief executive of exchange Coinbase Global, said of Brown's defeat on X.

"As a pro-innovation, pro-business candidate, I think [Moreno's] going to be exactly the kind of person we need in the Senate," said Garlinghouse, CEO of Ripple Labs, who personally donated money to Moreno's campaign.

Some of the biggest challenges that crypto executives have identified are preventing regulatory oversight from hampering their growth, gaining access to banking and stabilizing dollar-pegged cryptocurrencies.

It helps that crypto's biggest critics might soon be gone from Washington. Trump is set to replace its biggest nemesis: Securities and Exchange Commission Chair Gary Gensler, who has argued that crypto firms should have to follow his agency's investor-protection rules.

The regulator sued the in-

dustry's biggest exchanges—Coinbase, Binance and Kraken—last year, saying they should comply with rules that govern stock exchanges. The spate of litigation galvanized crypto supporters. Republican lawmakers oppose the way Gensler has used his enforcement division to try to rein in big crypto players.

"We are going to make certain that they know what the

rules are and how to follow them so that the crypto industry can thrive here," said Moreno, the incoming senator from Ohio. "We have to make sure this technology grows and thrives in America."

Meanwhile, Brown's likely successor atop the Senate Banking Committee, Sen. Tim Scott (R., S.C.), wants to draft a new regulatory framework for crypto that eases the requirements for firms engaging in trading and custody.

With Republicans set to take the Senate and retain control of the House, some legislation that previously stalled might

stand a better chance of moving forward, even if it is rewritten by the chamber's new power players.

In May, for example, the House overwhelmingly passed the Financial Innovation and Technology for the 21st Century Act. That bill would have given more responsibility for overseeing crypto to the Commodity Futures Trading Commission, a smaller agency that is seen as more receptive to digital assets. The Senate, controlled by Democrats, didn't advance the legislation.

"I believe the industry is hopeful that there could be some action taken on those bills during the lame duck," Rep. French Hill (R., Ark.) said. "I hope that's the case but if it's not, we'll be ready to go, and it will be a top priority in the new Congress."

Hill is chair of the digital assets subcommittee on the House Financial Services Committee and one of the sponsors of the FIT21 bill.

Congress also quashed earlier this year an SEC account-

ing policy known as SAB 121 that made it difficult for banks to safeguard digital assets. President Biden, a Democrat, vetoed Congress's move, and the SEC later softened the strict stance it took on the guidance.

Even if the crypto industry scores some victories, issues on other fronts might be tougher to crack. The sector has struggled with access to banking, sometimes using middlemen as solutions, due to banks' unwillingness to take on clients whose business models include volatile assets. The collapse of two crypto-friendly banks last year further diminished an already small subset of firms willing to bank crypto.

Finding banks to custody their crypto, rather than dollar deposits, has been even harder. And gaining access to the banking system would involve several regulators, including the Federal Reserve, whose leadership isn't facing wholesale change in 2025.

Another bill died in the Senate Banking Committee in April that would have required stablecoins—a genre of cryptocurrencies pegged to traditional currencies like the dollar—to be backed by reserves.

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U.S. NEWS

Sotomayor Expected To Remain On Court

By JESS BRAVIN

WASHINGTON—Despite calls from some liberal activists for Justice Sonia Sotomayor to step down while Democrats can fill her seat before political power changes hands in January, she has no plans to retire from the Supreme Court, people close to the justice said.

“This is no time to lose her important voice on the court. She just turned 70 and takes better care of herself than anyone I know,” said one person close to the justice, suggesting that progressives turn their attention to other ways of safeguarding the Constitution after President-elect Donald Trump takes office.

Sotomayor, appointed in 2009 by then-President Barack Obama, is the senior member of the court’s liberal minority, which by custom makes her its leader. Outnumbered by six conservatives, including three appointed by Trump during his first term, the liberals have increasingly been reduced to dissenting opinions that argue the majority has made grave errors on matters from abortion rights to presidential power.

Sotomayor, who has written a bestselling memoir and children’s books, appeared on “Sesame Street,” and championed civics education, is among the better-known justices. In February, a Marquette Law School poll found that while many Americans were unfamiliar with the court’s membership, Sotomayor was viewed more favorably than any other justice.

“This would probably be a good day for Sotomayor to retire,” David Dayen, executive editor of the liberal American Prospect magazine, wrote the day after the election on social media. The same day, former MSNBC host Mehdi Hasan, noting the justice has had Type 1 diabetes since



Justice Sonia Sotomayor

childhood, resurfaced his April op-ed suggesting that it was time for Sotomayor to go.

Animating the discussion of Sotomayor—and of potential retirements by conservative justices of similar age—is Justice Ruth Bader Ginsburg’s death at age 87.

Ginsburg had resisted calls from liberals to step down in the early 2010s while Obama and the Democrats held appointment power. Her death in September 2020 allowed Trump to solidify the court’s conservative majority by appointing Justice Amy Coney Barrett shortly before Democrats captured both the White House and Senate.

Fears of further diminution of the liberal minority led some on the left to pressure Justice Stephen Breyer to step down soon after President Biden and Senate Democrats took over in 2021, with one group sending a billboard truck to Capitol Hill bearing the message, “Breyer, Retire.” He stepped down in 2022 at age 83, allowing Biden to replace him with Justice Ketanji Brown Jackson.

Erwin Chemerinsky, dean of the University of California, Berkeley, School of Law, was among the first prominent legal progressives to call on Ginsburg to retire during the Obama presidency, with a March 2014 op-ed in the Los Angeles Times.

Chemerinsky said Saturday that conditions are different now.

“It is far more uncertain that the Democrats could confirm a successor than in summer 2014,” he said. “And Sotomayor is 70,” while Ginsburg was 81 when he urged her to step down.

Rockefeller Center Christmas Tree Marks Start of the Season



GRAND ENTRANCE: A 74-foot Norway spruce from West Stockbridge, Mass., arrived in New York City over the weekend. The lighting ceremony is Dec. 4.



LEV RADIN/PACIFIC PRESS/DAVID J. PHILLIPS

Property-Tax Revolt in States Rolls On

By WILL PARKER

Voters in eight U.S. states last week passed measures to offer some form of relief on property tax, a sign of their mounting frustration with tax bills that have soared alongside big increases in home values.

Georgia approved a constitutional amendment that caps assessments for all current homeowners, while Florida passed an initiative that pegs the value of one type of property tax exemption to annual inflation.

In Wyoming, voters passed a constitutional amendment that allows residences to be assessed separately from other types of real estate. This could lead lawmakers to pass lower tax rates for homeowners in the future.

Two of 10 state proposals to curb property tax failed on Tuesday, including one in North Dakota that was the most far-reaching and would have eliminated all property taxes. It lost with less than 37% of the vote after facing stiff opposition from a variety of interest groups as well as from Doug Burgum, the state’s Republican governor.

Still, the property-tax revolt is well under way and might get bigger soon, as people continue to receive higher tax assessments that capture the sharp rise in property values nationwide over the past few years.

“Voters across the country are upset with rising property tax burdens and they have made that known to lawmakers,” said Jared Walczak, vice president of state projects at the Tax Foundation, a conservative-leaning think tank.

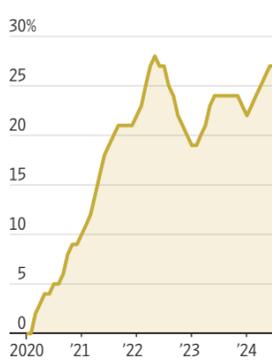
Other prices related to homeownership—especially home insurance—keep rising and show little sign of abating.

New limitations on property tax threaten to create revenue issues for some municipalities. Local governments levied \$363.3 billion in property taxes on single-family homes in 2023, according to an analysis of 89.4 million homes by property data firm Attom. That was a 6.9% increase from 2022 and the largest increase in the last five years, Attom said.

The rise in anti-property-tax sentiment is reminiscent of the 1970s and early ’80s, when homeowners protested rising inflation at the ballot box in states including California and Massachusetts. Last year, Texas passed an \$18 billion property tax cut, the largest such cut in the state’s history, Republican Gov. Greg Abbott said at the time.

In 2024, the most impactful measure was in Georgia, which caps tax assessment changes for current homeowners at an annual inflation rate, rather than at its real market value. Home prices have increased

Change in U.S. home values since 2020, adjusted for inflation



Source: S&P Dow Jones Indices and U.S. Bureau of Labor Statistics via The Tax Foundation

more than 60% in Georgia over the last five years, according to the Zillow Home Value Index.

State Rep. Beth Camp, a Republican who represents a rural but increasingly exurban district in central Georgia, said the initiative was intended in part to protect older homeowners on fixed incomes, whose homes have appreciated in value very quickly.

“Right now, everybody’s getting hit with this stuff at once,” said Todd Fryburger, a 61-year-old tech advisory executive and homeowner in Cobb County, near Atlanta.

Fryburger’s property tax bill went up 25% this year, he said, after the county determined

that the market value of his house had increased 29.2% since the last time it was assessed. Fryburger, like other people he knows, is appealing his assessment. He mentioned that other rising costs, like insurance and utilities, are weighing on many homeowners.

Under the new Georgia law, local governments can choose to opt out of the assessment cap and have until March to decide.

Critics of assessment caps, including the Tax Foundation, say they distort housing markets and put more of the tax burden on younger and less affluent first-time home buyers.

In Georgia, once a house is sold, a new owner will pay a higher property tax based on the property’s real market value.

That disparity, between what longtime owners pay in tax and what new buyers pay, can create a lock-in effect, said Walczak, in which longtime homeowners, who benefit from undermarket assessments, are less likely to sell.

“This is an ultimately destructive approach that other states have come to regret,” Walczak said.

A downside of lower property tax collections can be less money for local governments and school districts. One analysis by a Florida state government agency estimated that

Florida’s new inflation-tied tax exemption will cost local governments more than \$400 million in the first five years alone. The Florida Policy Institute, meanwhile, estimated it would save the average homeowner just \$20.

States or cities that roll back property taxes may also look to increase taxes elsewhere. The Georgia provision allows local governments to increase sales taxes to make up for shortfalls.

That would shift more of the tax burden away from homeowners and onto general consumers.

New Mexico, Colorado and Virginia each voted to expand property-tax exemptions for veterans or their families.

Perhaps the most unusual property-tax-related measure to pass on Tuesday came in Arizona and from the conservative Goldwater Institute. The think tank devised the proposal that allows real estate owners to apply for property-tax refunds when they spend money to protect their properties from homeless individuals, or to repair damage allegedly caused by them.

Jenna Bentley, director of government affairs at the Goldwater Institute, said the bill was inspired by the complaints of residential and commercial property owners near “The Zone,” a former homeless encampment in Phoenix.

Wildfire Smoke Worsens New York City Air

By GINGER ADAMS OTIS

New York City had a weekend of mostly blue skies marred by acrid smoke and air-quality advisories after a series of brush fires, fueled by extremely dry conditions, erupted around the region.

People sensitive to pollution were advised that the air quality through Sunday could be at unhealthy levels because of smoke and particulate matter. The advisory covered New York City and the lower Hudson Valley. A similar advisory was issued for parts of northeastern New Jersey.

Staying indoors and avoiding strenuous activities would help reduce exposure, said New York’s Department of Environmental Conservation.

New Jersey has been battling several fires in recent days, including one that has scorched over 175 acres near Pompton Lakes in Passaic County, as well as a blaze off the Palisades Interstate Parkway in Englewood Cliffs that has burned at least 39 acres.

A wildfire in West Milford, N.J., along the state border near Greenwood Lake, has spread into New York. Firefighters were struggling to contain the flames that have consumed about 2,500 acres and are threatening roughly 10 structures, including the Long Pond Ironworks Historic District, according to the New Jersey Forest Fire Service.



Firefighters worked on battling brush fires Saturday near Pompton Lakes, N.J.

A New York State Parks employee died Saturday while fighting the fire, Gov. Kathy Hochul said.

“Our state employees are working around the clock to protect our communities and we are keeping them close in our thoughts as they put their lives on the line to stop the spread of these wildfires,” Hochul said Sunday.

Brush fires also broke out in New York City and in several counties upstate. On Friday, the Fire Department of New York responded to Brooklyn’s Prospect Park, where wind gusts whipped a brush fire across 2

acres of dry vegetation. The FDNY needed about three hours to extinguish the blaze, which was one of roughly 100 brush fires it has handled this month, the agency said.

Drought conditions have increased wildfire risks in the Northeast this season. Red-flag warnings, issued when high winds combine with relatively low humidity, remained in effect for parts of Connecticut, Rhode Island and Massachusetts.

New York’s Central Park went nearly 30 days without any measurable rain, a streak that ended on Oct. 29 when .01

inch was recorded, said John Cristantello, a meteorologist in the National Weather Service’s New York office. The average rainfall in Central Park for October is usually about 4.5 inches, he said.

When drought-like conditions come in fall, as dry leaves coat the ground, the risks grow, Cristantello said.

This year’s meteorological autumn, which began Sept. 1 and ends Nov. 30, is likely to be the driest since 1869, when weather records for Central Park began, he said. Since Sept. 1, Central Park has seen just over 1.5 inches of rain.

FEMA Fires Worker Who Said to Skip Houses With Trump Signs

By JOSEPH DE AVILA

The Federal Emergency Management Agency terminated an employee who the agency said told her survivor assistance team to avoid homes with yard signs supporting President-elect Donald Trump’s campaign.

FEMA Administrator Deanne Criswell said Saturday the employee’s conduct was reprehensible. “This is a clear violation of FEMA’s core values and principles to help people regardless of their political affiliation,” Criswell said.

Criswell said the agency referred the matter to the U.S. Office of Special Counsel, an independent federal investigative and prosecutorial agency. FEMA didn’t identify the employee or say where she worked. The agency didn’t respond to a request for additional information.

Conservative news site the Daily Wire reported Friday that the employee directed relief workers to skip homes with Trump signs in Lake Placid, Fla., in the aftermath of Hurricane Milton.

U.S. NEWS

Trump Pushes to Bypass Nominee Votes

President-elect says next leader must permit recess appointments

BY SIOBHAN HUGHES AND JESS BRAVIN

WASHINGTON—President-elect Donald Trump demanded that the next Republican leader of the Senate agree to allow him to push through at least some nominees without requiring a vote, a move that would give more power to the White House to get around congressional opposition.

The statement by Trump, who prevailed on Election Day by winning all seven of the battleground states, showed him muscling the incoming Senate majority weeks before the Republicans are set to take over the chamber. The GOP senators, who are set to have a 53-47 margin in the next Congress, are voting on a new leader this week.

“Any Republican Senator seeking the coveted LEADERSHIP position in the United



Sen. Rick Scott of Florida, left, and Sen. John Thune of South Dakota, right, both say recess appointments are on the table.



States Senate must agree to Recess Appointments (in the Senate!), without which we will not be able to get people confirmed in a timely manner,” Trump wrote on social media, complaining that the regular approval process can sometimes take years. “We need positions filled IMMEDI-

ATELY!” he said. Recess appointments allow a president to temporarily install a cabinet or other nominee for the rest of the two-year session but can be blocked when the House or Senate refuse to formally go on a long break. Trump made no recess appointments in his

first term, nor has President Biden, but past presidents such as Ronald Reagan, Bill Clinton and George W. Bush made more than 100. Trump hasn’t endorsed a senator in this year’s leadership race, but his statement on Sunday afternoon sent a jolt through the contest. Candi-

dates for the top post quickly issued statements opening the door to the idea that the Senate should adjourn for long enough to allow Trump to appoint at least some officials without Senate approval. The majority leader controls the Senate floor and the calendar. “100% agree,” said Florida

Sen. Rick Scott, a favorite of Trump allies, in a social-media post. “I will do whatever it takes to get your nominations through as quickly as possible.” Sen. John Thune (R., S.D.) also said he would consider embracing recess appointments. “We must act quickly and decisively to get the president’s cabinet and other nominees in place as soon as possible...and all options are on the table to make that happen, including recess appointments,” Thune said in a statement.

The third candidate, Sen. John Cornyn of Texas, said that it would be “unacceptable” for Democrats to block Trump’s nominees. “If they do, we will stay in session, including weekends, until they relent. Additionally, the Constitution expressly confers the power on the President to make recess appointments,” he said on X.

Trump’s decisive victory in the presidential race is scrambling the leadership contest, where Thune has been seen as the favorite, by putting more momentum behind Scott.



From the Ashes of Electoral Defeat, Democrats Seek Out New Leaders

BY KEN THOMAS AND CATHERINE LUCEY

WASHINGTON—Democrats are entering the wilderness. They will spend the coming months and years looking for the leaders who can propel them back to power.

President-elect Donald Trump’s convincing defeat of Vice President Kamala Harris—along with President Biden’s impending departure from the White House—leaves the Democratic Party without a clear standard-bearer amid the prospect of full Republican control of all three branches of government.

Here’s a look at influential Democrats, both inside and outside the Capitol, who will seek to lead challenges to Trump’s second term—and potentially the next Democratic ticket.

The Insiders

Hakeem Jeffries: Democrats are currently a long shot to retake the majority with several races yet to be called, but either way the House leader from New York will quickly become a key opposition leader. When Republicans struggled to anoint their own leader last year (before settling on Speaker Mike Johnson), Jeffries showed a penchant for keeping his caucus together while staying connected to his working-class district. “People have been feeling economically distressed for decades—certainly in many communities of color—and we have to do a better job of transforming that economic reality,” Jeffries told NY1 after the election.

Chuck Schumer: The New Yorker will shift back to being minority leader in the Senate after Republicans won control of the chamber. He will need to keep Democrats united and will look for any ways to work across the aisle. He played a similar role during the first Trump administration. In a statement after the election he said, “The only way to get things done in the Senate is through bipartisan legislation



From top: Sen. Chuck Schumer, left, and Rep. Hakeem Jeffries; Govs. Josh Shapiro, left, and Gretchen Whitmer; Sen. Bernie Sanders, left, and Rep. Alexandria Ocasio-Cortez.



while maintaining our principles—and the next two years will be no different.” **Jamie Raskin:** Raskin led Trump’s second impeachment trial and served on the Select Committee to Investigate the Jan. 6 Attack on the U.S. Capitol. As the ranking Democrat on the House Oversight Committee, Raskin will be one of the lawmakers charged with seeking to hold the Trump administration accountable and shine a light on any malfeasance—a job made more difficult in the minority.

Governors

Gavin Newsom: It took the California governor all of one day to announce himself as a leader of the anti-Trump resistance. Newsom, who has often sought out battles with prominent national Republicans, called for a special legislative session in early December “to safeguard California values and fundamental rights in the face

of an incoming Trump administration.” Newsom said California will “stand with states across our nation to defend our Constitution and uphold the rule of law.”

Gretchen Whitmer: Is there a national future for “Big Gretch”? The Michigan governor, who earned her nickname from a rapper, called on the people of her state to pull together following the election, saying, “Let’s remember that we are a nation of good, kind people that have more in common with each other than not.” Her record of governing in a swing state—and winning support across the political spectrum—will continue to draw interest.

Josh Shapiro: The Pennsylvania governor is signaling bipartisanism, saying last week that the will of the people must be respected, promising to “find ways to bring people back together and move the ball down the field to put points on the board for all of us.” Sha-

piro, who was passed over as Harris’s running mate, has cast himself as a “get s— done” Democrat.

JB Pritzker: The billionaire Illinois governor issued a stark warning to the incoming Trump administration. “You come for my people, you come through me,” Pritzker said Thursday, referring to hardworking residents of his state who he said dealt with “chaos, retribution and disarray” from the previous Trump White House.

The Base

Bernie Sanders: The Vermont independent senator and two-time presidential candidate issued a scathing statement after the election, questioning the Democratic Party’s commitment to working-class voters. Sanders just won re-election at age 83, and the liberal lion will be a vocal leader on countering Trump and ensuring that Democrats don’t abandon the progressive principles that animated his White House campaigns.

Alexandria Ocasio-Cortez: The New York congresswoman and progressive leader hasn’t minced words since the election, warning that Trump will follow through on mass deportation plans and seek a national ban on abortions. The leader of “the Squad” said in an Instagram livestream that she was “not here to sugarcoat what we all are about to collectively experience.”

The DNC

Jaime Harrison won’t seek another term as chairman of the Democratic National Committee. Several names of potential candidates have emerged, including Minnesota Democratic-Farmer-Labor Chair **Ken Martin**, interim California Sen. **Laphonza Butler**, New Jersey Gov. **Phil Murphy**, former New Orleans Mayor **Mitch Landrieu**, Wisconsin Democratic Party chairman **Ben Wikler** and former Maryland Gov. **Martin O’Malley**.

U.S. Office Battling Disinformation Faces Closure by Year-End

BY MICHAEL R. GORDON AND DUSTIN VOLZ

WASHINGTON—A State Department office that uses high-level U.S. intelligence to combat Russian and Chinese information operations abroad faces a possible shutdown at the end of the year, just weeks before President-elect Donald Trump returns to the White House.

Its fate is seen as an early sign of the willingness of the second Trump administration and its congressional allies to push back against foreign disinformation plots, which intelligence officials say went into hyperdrive during the 2024 election season, powered in part by artificial intelligence.

The office, known as the Global Engagement Center, has vocal backers including retired Army Gen. Paul Nakasone, the former head of the National Security Agency and the U.S. Cyber Command, who says it has been an important tool for stymieing foreign disinformation directed at overseas audiences. But its most acerbic critics include Elon Musk, the billionaire owner of X who backed Trump during the election and is now expected to head a commission that would recommend ways to cut government bureaucracy and spending.

Musk alleged last year the center has sought to shape social-media content.

House Republicans also have trained their sights on the center, accusing it of funding organizations that have meddled in domestic politics. The center has more support in the Senate, where a bipartisan push is under way to extend it with strict controls on how it spends its funds.

Barring congressional action, the center will shut down after its current seven-year mandate lapses on Dec. 23.

The Trump transition team didn’t respond to requests to comment on whether the president-elect sees a role for the center in his administration.

Proponents of the center say its budget of \$61 million and some 130 employees is modest compared with the billions of dollars Russia and China are spending on campaigns to spread misinformation about the U.S. and its policies and shape international opinion.

In recent years, the center has documented a Chinese multibillion-dollar disinformation campaign that used online bots and troll armies. It also exposed Russian efforts to spread disinformation that Western public health efforts to protect Africans against disease are a plot to use them

as unwitting test subjects in Pentagon biological research programs.

After it accused Russian-owned outlet RT of carrying out disinformation and other operations at the behest of Russian intelligence, several social-media companies, including **Meta Platforms**, which owns Facebook and Instagram, and TikTok blocked them from their platforms.

RT still posts its content on X, the social-media company Musk purchased in 2022. Musk in a 2023 tweet accused the center of being the “worst offender in US government censorship & media manipulation.”

Musk didn’t respond to a request for comment about his current views on the center. A spokesman for X also didn’t respond.

The center’s possible folding comes as X and other social-media platforms have retreated from policing disinformation. At the same time, the rapid growth of generative artificial intelligence has made it much easier for Russia, Iran, and others to disseminate disinformation to international audiences in a variety of languages, including Spanish.

The center traces its origin to a State Department office established in 2011 to counter violent foreign online propaganda by al Qaeda and other international terrorist groups. The Global Engagement Center took over that mission when it

was established five years later. Its role was later broadened by Congress so it could respond to information operations by foreign governments.

During Trump’s first administration, the center played a role in chronicling Russia’s extensive disinformation efforts.

But it has faced questions about the effectiveness of its operations. A September 2022 report on the center by the State Department’s Office of Inspector General identified organizational problems with the center, including the absence of a presidentially appointed coordinator and special envoy for nearly half of the center’s existence.

Three months later, the Biden administration moved to address those concerns by naming James Rubin, the chief spokesman for former Secretary of State Madeleine Albright, to the post.

While the center focuses strictly on countering disinformation overseas, it has often been pulled into a broader debate over the effectiveness of the U.S. government’s role in identifying and thwarting foreign information operations.

Social-media platforms have retreated from policing disinformation.

U.S. NEWS

What Trump Has Pledged to Do on Day 1

Executive actions are likely to top list of what president tries right away

BY VIVIAN SALAMA

WASHINGTON—The wheels are now in motion to help President-elect Donald Trump act on an ambitious “day one” agenda involving policy and personnel shake-ups, such as mass deportations and the firing of generals.

Transition staff, and the handful of outside policy shops that have been offering input, are helping to craft executive orders that would implement some of his proposals. Transition personnel are also working to incorporate his vision for various agencies in their planning efforts.

Here are some of Trump’s campaign promises for how he will spend his first day in office:

Immigration

Trump has vowed to imple-

ment “the largest deportation program in American history” as soon as he takes office. Although such a massive logistical feat would likely take longer to carry out, officials familiar with his planning said it is likely he will sign a pre-drafted executive order when he takes office ordering the Department of Homeland Security and other agencies to deport undocumented migrants.

Much of Trump’s day one agenda will revolve around his efforts to reverse many of the Biden-era immigration policies and pass some of his own to reassert his zero-tolerance policies. One of his top advisers, Jason Miller, recently told NBC News that Trump can “simply flip the switch” and put his old immigration policies back in place, adding, “They didn’t need an act of Congress.”

Trump has said he would reimplement on day one his “Remain in Mexico” policy, which requires asylum seekers to stay in Mexico until their cases are processed by U.S. immigration courts. He has also said he would resume construction of the wall along

the U.S.-Mexico border—something he repeatedly criticized the Biden administration for failing to continue.

Trump has also said he would use executive action on his first day in office to put a stop to granting birthright citizenship to children born to anyone who entered the U.S. illegally. This is likely to face legal challenges.

‘Day one’ dictator

Trump made the bold but vague statement that he would be a dictator only on “day one” of his presidency. He explained to Fox News’ Sean Hannity that “I want to close the border, and I want to drill, drill, drill.”

Jan. 6 pardons

Trump has said he plans to quickly fire special counsel Jack Smith, who is overseeing the federal case against Trump in Washington, D.C., over his efforts to subvert the 2020 election and remain in power.

Smith has begun conversations with the Justice Depart-



Donald Trump

ment about federal criminal cases pending against Trump. He hasn’t sought to freeze his other prosecution related to Trump’s mishandling of classified documents and obstructing the government’s efforts to retrieve them from his Florida beach resort.

Trump also vowed to pardon many of the 1,000 people charged in connection with the Jan. 6, 2021, insurrection at the U.S. Capitol once he re-

turns to the White House.

Climate

Trump has said that he will sign an executive order once again withdrawing the U.S. from the Paris Climate Agreement, the international treaty that implements the objectives of the United Nations Framework Convention on Climate Change.

President Biden on his first day in office brought the U.S. back into the Obama-era accord after Trump had pulled out of it.

Officials close to Trump said the order will be ready for Trump to sign on his first day in office.

Foreign policy

Trump has vowed to take several measures aimed at putting what he sees as America’s interests first and has vowed to end conflicts around the world, including in Ukraine and the Middle East, before he takes office.

Among them, he has said he would prioritize American

national security and economic interests at home over paying billions to support allies abroad, and would impose steep tariffs on imports to stimulate domestic job creation.

Trump may have luck encouraging Ukraine, which has been losing ground, to the negotiating table, but Russia’s Vladimir Putin—as well as Hamas and Israel—have shown no signs they want to end the fighting in their respective conflicts.

Trump has also said that he would demand the resignation of any general involved in the U.S. withdrawal from Afghanistan by “noon on Inauguration Day.”

Transgender policy

In April, the Biden administration unveiled a final set of changes to Title IX to cover discrimination based on sexual orientation and gender identity for the first time. Trump has vowed to revoke such protections for transgender students the day he takes office.

Lauder Sought Ouster

Continued from Page One

her without the same level of power. Jane turned it down.

Weeks later the family’s feud broke back into public view. Jane, 51 years old, revealed at the end of October that she was resigning from her role as an executive vice president. The news front-ran the board’s planned announcement that it had hired long-time executive Stéphane de La Faverie as CEO and that William, 64, would step aside as executive chair.

In a written statement from a company spokeswoman, Jane and William said: “We have both been a part of this company for decades and we are aligned and united—together with the board of directors—and fully support the management team, in ensuring the company’s long-term, enduring success.”

Jane’s letter to board members came after more than a year of tension within the wealthy family, whose members are among the company’s biggest shareholders but have disagreed about the company’s strategy and who should lead it next. Poor sales, especially in China, have hurt the business. Shares have declined more than 50% this year, erasing more than \$25 billion in market value.

Still, Jane’s September letter surprised board members. Directors and some family members tried to keep the drama from blowing into the open as they navigated CEO succession and board changes. Ultimately, board members had to step in because the family members couldn’t come up with a solution around the executive chair and what new role Jane could take on, the people said.

The result is that for the first time in its history, no Lauder will be a top executive at the business that its namesake started in 1946 and with her family built into a giant with more than \$15 billion in annual sales.

On Friday, Jane and William

spoke at the annual shareholder meeting about the leadership changes.

“This is a difficult time for the company, and we believe deeply that we can best serve the company’s return to profitable growth by contributing more fully as members of the board and as stockholders,” William said.

Jane added, “I will help guide [the company] through this critical period and consider it my personal imperative to ensure the legacy of our grandmother remains intact.”

Jane’s resignation came after close to three decades of working at the company. She remains a board member and one of its biggest investors, with a stake valued at about \$1.5 billion.

The youngest of Estée’s four grandchildren, Jane joined the family business in 1996.

In addition to taking on growing responsibilities at the company, Jane appeared regularly on society pages with

her sister, Aerin. They were in the front rows of fashion shows, on best-dressed lists and at soirees thrown by fellow members of New York high society.

Jane’s ascent was very much in the public eye, though she said at a recent “Women in Power” event that she was an introvert. On stage at a forum co-hosted by WWD, Jane said she learned from her grandmother to be persistent and a problem solver.

“I’m the youngest in the generation of a family of extroverts and people that have a lot of opinions, and so you have to kind of get in there and fight for yourself as well,” she said on Sept. 9, around the same time she sent the missive to some board members.

Her uncle Leonard Lauder built the business into a global giant over the decades. His son William was chosen as chief executive in 2004. A few months later, Estée, the vision-

Jane Lauder sent the missive after learning she lost the fight to be CEO.

Nuclear Plant Gets AI Boost

Continued from Page One

been cannibalized for parts. It also involved a grueling meeting with Pennsylvania Gov. Josh Shapiro, whose support would be critical in greenlighting a politically sensitive project that had become synonymous with nuclear disasters.

Company executives used a code name for the project: Tetris, after the 1980s-era videogame in which players stack descending geometric shapes, and fast.

After 17 months, Constellation and Microsoft said in September the tech giant has signed a 20-year power-purchase agreement to pair its data centers with round-the-clock clean power from Three Mile Island. Constellation expects to spend around \$1.6 billion on the unprecedented effort to resuscitate a reactor undergoing decommissioning.

For Constellation, the deal could restore its relevance in an industry that had lost enthusiasm for nuclear power. Meanwhile, Microsoft might have scored an early victory in a fierce competition among tech giants to secure nuclear power to cut rising carbon



Three Mile Island, whose Unit 1 closed five years ago because it had been incurring losses, could get a restart.

emissions and power AI.

Within a few years, the most advanced AI models are projected to need five gigawatts of power, as much as five nuclear reactors, or roughly what Manhattan consumes at any given time. There is nowhere in the U.S. where it will be easy to connect data centers of that magnitude.

Shouldering costs

The prospect has caused electricity-demand forecasts to skyrocket in many pockets of the country, prompting a tug of war over how to shoulder costs and concerns about whether emissions reductions targets set by tech firms and the federal government are still viable.

In Pennsylvania, Shapiro had questions. The Democratic governor had campaigned in part on accelerating the state’s clean-energy transition. Shapiro and Dominguez met for the first time last December in Philadelphia. Dominguez said he didn’t know what to expect. Shapiro wanted details on the plant’s physical condition, whether the company had

spoken to labor leaders, if it could find workers and equipment, and whether a restart could happen safely and without cost to Pennsylvanians.

Three Mile Island’s undamaged Unit 1 reactor sits next to Unit 2, which was shut after a partial core meltdown in 1979. It was the biggest civilian nuclear-power accident in the U.S. and became a major factor in the U.S.’s ambivalence about nuclear power. The 835-megawatt Unit 1 closed five years ago because it had been incurring losses.

At the end of the meeting, Shapiro said that if Constellation thought it could do the project, he would support it. But Constellation had to be perfect in executing it.

Shapiro spokesman Manuel Bonder said the administration has talked for a year with Constellation, legislators and stakeholders about the restart “to create thousands of good-paying union jobs and ensure the reliability of our energy grid.” Bonder noted it requires no state subsidies.

Shapiro’s support was critical. An attempt to keep Three

Mile Island open in 2019 with around \$500 million in state funding had failed to garner widespread support among lawmakers and business groups.

Dominguez, a former federal prosecutor and lobbyist, had worked on securing state support for it while at Exelon, the plant’s former owner. He also had tried to find tech, industrial or commercial customers who would sign agreements that could keep the plant running. It didn’t work.

Many nuclear plants in competitive power markets have been marching toward closure for years because they couldn’t compete on cost against natural gas-fired plants or renewables. Since the 1990s, 16 U.S. reactors supplying more than 11,000 MW of power have shut, according to the Nuclear Regulatory Commission.

‘Saddle up’

But in a shift, the Biden administration was beginning to see nuclear power as critical in achieving its goal of decarbonizing the U.S. grid by 2035. Around the country, some coal-

and gas-fired power plants were retiring more quickly than they could be replaced by wind and solar farms paired with battery storage, increasing the risk of supply shortages.

The Inflation Reduction Act, the sweeping climate bill passed in late 2022, included tax credits to support nuclear energy.

After the Microsoft meeting, Dominguez directed employees to compile a status update on new energy projects that produced the zero- or low-carbon electricity tech companies needed around the clock. Employees analyzed plans for solar and battery projects, carbon capture and storage technology, and small modular nuclear reactors. Nothing was fast or cheap, which meant Three Mile Island’s undamaged reactor might be a moneymaker again.

Dominguez recalled telling executives, “Saddle up. I want to understand within five weeks whether we could do this.”

Constellation’s engineers determined that a restart of Three Mile Island could be done but not without challenges. The main transformer needed replacement. Because

of the yearslong lead time for such switchgear, Constellation started talking to suppliers about how to jump the line.

The company moved quickly to halt the decommissioning. Employees also started to restore a specialized training simulator.

First dibs

By January 2024, Dominguez was ready to shop Three Mile Island to a few corporate clients. Competition for nuclear assets was starting to heat up. Microsoft was clear: It wanted first dibs.

Noelle Walsh, Microsoft’s corporate vice president of cloud operations and innovation, said the deal made sense because it would bring a large amount of reliable, carbon-free power to market more quickly and cheaply than other options.

Analysts at Jefferies estimate Microsoft will pay between \$110 to \$115 per megawatt hour of electricity. Currently operating reactors cost far less, though estimates for new nuclear construction start around \$142 per MWh, according to industry analysis and Lazard.

An array of state and federal approvals will be needed. The history of U.S. nuclear power is that things take longer and cost more than expected, a risk Constellation must manage. It said it would spend around \$1.6 billion to restart the reactor. It is supposed to start delivering power in 2028 under the agreement.

Nuclear Regulatory Commission Chair Christopher Hanson said the task of backing out of decommissioning puts Three Mile Island in “uncharted regulatory territory,” though he is optimistic.

Microsoft hasn’t yet put money on the table—Constellation will have to start delivering power first—but investors are excited.

“The first question that we’re getting from clients is, ‘how much more of this can you do?’” Dominguez said.

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WORLD NEWS

Moscow, Kyiv Intensify War in Ukraine

Surge in fighting occurs as Trump vows to end conflict, but gives no details

The war between Russia and Ukraine is escalating.

By Thomas Grove in Warsaw and Jane Lytvynenko in Kyiv, Ukraine

The neighbors this weekend launched their largest drone attacks against each other since the start of the war nearly three years ago. Russia last week began a fresh effort to oust Ukrainian forces from its Kursk region after amassing more than 50,000 troops, including some 10,000 soldiers from North Korea. And Russian troops, while advancing steadily in Ukraine's east, are incurring record numbers of dead and injured, the British military's top commander said.

The surge in fighting comes as President-elect Donald Trump is promising to end the war but has yet to say how. Russian President Vladimir Putin has said he is ready for peace talks but only if his earlier demands are met for Ukraine to submit to Russia's control. His army is gaining momentum across the front line thanks to its greater size and quantity of weapons.

Ukraine is holding on grimly at the front—and launching strikes deep into Russia. Ukrainians are worried that the in-



A Russian drone attack damaged a home in Odesa, Ukraine, part of a wave of overnight aerial strikes that marked a record.

coming Trump administration's desire to end the war could leave their country with the short end of any peace deal, but Ukrainian President Volodymyr Zelensky hopes Trump would leverage U.S. power to help its troubled ally.

"It's only logical the two sides are trying to make whatever gains they can at the moment if there is a chance for any potential peace talks in the offing," said Ruslan Pukhov, head of a Moscow-based defense think tank, the Center

for Analysis of Strategies and Technologies. "While Russia is trying to make gains on the ground, Ukraine's best chance of response is through drone attacks."

Early Sunday, both sides launched record numbers of aerial drones against each other. Russia said it shot down 84 Ukrainian craft deep in Russian territory, nearly half of them in the Moscow region. Three airports around the capital were temporarily forced to reroute flights be-

cause of the wave of drones.

Zelensky, meanwhile, said Russia launched 145 Iranian attack drones across Ukraine. He said Russia had used more than 800 guided aerial bombs, 600 drones and 20 missiles against Ukraine last week.

On the front lines, particularly in Ukraine's east, Russia is advancing slowly but steadily. Russian troops seized almost 200 square miles of Ukrainian territory in October, according to a Ukrainian war-monitoring group, DeepState, which said it

was the largest monthly gain this year.

The U.S. is still assessing how integrated North Korean forces are into the Russian military, a U.S. official said, including what kind of weapons the soldiers have been provided and how closely they are working alongside their Russian counterparts.

Russia has begun to chew into territory held by Ukraine in the Kursk region. Last week, Russian forces launched the early stages of a counter-

offensive after gathering weapons and troops, a Ukrainian official and a military analyst said.

So far, Ukraine has largely been able to hold back the Russians, who are relying on infantry for their assaults, and take out some equipment, but Russia is seeking to press its advantage.

Some analysts expect Russia's military will be able to continue grinding forward in coming months, but won't be able to make a significant breakthrough.

Ukraine, however, is facing even steeper manpower problems. Along with the shortage of infantry, Kyiv is facing the possibility that the U.S., its best-sourced backer, will turn off the tap on military aid.

The Biden administration has been issuing assurances that, at least for now, the U.S. has Ukraine's back. The U.S. has approved its specialists working on Ukrainian soil to help service weapons, Zelensky said on Sunday. On CBS, White House national-security adviser Jake Sullivan said the U.S. would spend "on time and in full" all of the aid allotted to Ukraine last year before President Biden leaves office on Jan. 20.

Sullivan said Biden also would be arguing before Congress and the incoming Trump administration that the U.S. "should not walk away from Ukraine."

—Nancy A. Youssef and Alan Cullison contributed to this article.

Xi Enforcer Revs Up China Spy Machine, in Shot at West

By Chun Han Wong

The Chinese intelligence agency accused of likely steering vast cyberattacks on the U.S. has made rapid gains in power and profile, driven by leader Xi Jinping and the protégé he put in charge of China's espionage efforts against the West.

In the two years since Xi installed Chen Yixin at the helm of the Ministry of State Security, a secretive organization whose mandate includes intelligence gathering and counterespionage, Chinese spying has swelled to what Western officials describe as a formidable threat. The expansive effort, officials say, has mobilized security agencies, private firms and civilians to amass troves of information.

Chen brought the spy agency into the spotlight with a crackdown on perceived security threats from foreign firms, a social-media campaign urging vigilance against al-

leged U.S. efforts to subvert China and, American officials believe, an increasingly sophisticated hacking enterprise that included the recently discovered attacks linked to a group known as Salt Typhoon.

The mission, as Chen describes it, is to help China prevail in an escalating great-power competition against the U.S. The country that best marshals its resources "can win the initiative in the struggle," he wrote in April.

As China's spy chief, Chen has pushed the MSS well beyond its traditional domain of intelligence, airing publicly its views on security threats related to the country's economy, foreign policy and even culture. He has sought to mobilize citizens to join a national struggle against foreign espionage—a throwback to Cold War-era appeals for a public vigilance to help catch spies.

In the Salt Typhoon breach, hackers infiltrated U.S. tele-



Western officials say spying has swelled to a formidable threat in the two years Chen Yixin has led China's spy agency.

com networks and compromised the cellphone lines of the Trump and Harris campaigns and of senior U.S. government officials, potentially accessing communications between thousands of Americans and causing serious harm to U.S. national security, The Wall Street Journal has reported.

U.S. investigators have identified a Chinese contractor they believe carried out the attack on behalf of a Chinese intelligence agency, likely the MSS, which has often used contractors for hacking missions, people familiar with the inquiry said. Beijing has denied involvement.

Chen's emergence as a hard-line enforcer on security affairs reflects Xi's preference for picking loyal lieutenants. While his predecessors at the MSS had typically specialized in security or intelligence, Chen was a long-serving official in a prosperous industrial province, including stints as a close aide to Xi and then a pro-business administrator.

"He's a key figure in Xi's inner circle and he's demonstrated unwavering loyalty to Xi—unwavering," said Craig Singleton, a senior fellow at the Foundation for Defense of Democracies.

The MSS, once beset by corruption scandals and considered less politically influential than some other Chinese security agencies, has gained clout under China's most powerful leader since Mao Zedong.

When Xi started his third term as party chief in 2022, he brought his then state-security minister, Chen Wenqing, into the elite 24-member Po-

litburo as the party's security czar—the first time since the Mao era that a spy chief was elevated to such a rank.

Xi also named Chen Yixin as the next head of the MSS, whose foreign and domestic roles make it China's rough equivalent to the Central Intelligence Agency and the Federal Bureau of Investigation.

In one of his first public remarks as spy chief, Chen pledged to carry out Xi's vision to build a "new security landscape" that can safeguard China's development by all means necessary.

Officials must combat hostile forces at home and abroad that seek to subvert China's political system and suppress the nation's rise, Chen wrote in April 2023. "Create more advanced means of attack and defense, and strive to improve our ability to use science and technology to safeguard national security."

—Warren P. Strobel contributed to this article.

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HAITI Council Fires Acting Leader

A ruling council created to restore order and steer a democratic transition in Haiti fired the country's embattled acting prime minister as the poorest nation in the Western Hemisphere plunges into a new wave of political turmoil and gang violence.

The members of Haiti's Presidential Transition Council published a decree on Sunday in the official gazette replacing Prime Minister Garry Conille, who lasted less than seven months in office, with Alix Didier Fils-Aimé, a businessman who previously led the country's Chamber of Commerce and had earlier been a contender for the post.

"It's an abuse and a seizure of power that undermines the fundamental principles of our democracy," Conille said in a written statement protesting his firing. The council has long been at odds with Conille and mired in political infighting. A doctor, Conille served at the United Nations children's agency Unicef, where he was the director for Latin America and the Caribbean.

The ruling council took office in April to prepare the country to receive a largely U.S. funded multinational police mission led by Kenya to help security forces retake control from criminal gangs.

—José de Córdoba Santiago Pérez

WORLDWATCH



HUMP DAY: A contestant joined a camel-decoration competition in Pushkar, India, on Sunday.

QATAR Hamas Leaders Are Asked to Leave

Qatar said it has paused its efforts to mediate a cease-fire in the Gaza Strip, citing a failure by Israel and Hamas to make progress in the talks.

Officials familiar with the matter said Saturday that Qatar also had asked Hamas's political leaders to leave the Gulf country, where they maintain an office, after more than a year of trying to leverage their presence to broker a deal that would halt the war in Gaza and free the hostages held by the group.

The move was coordinated with the U.S. and was com-

municated about 10 days ago, the officials said.

"After rejecting repeated proposals to release hostages, its leaders should no longer be welcome in the capitals of any American partner," a senior Biden administration official said. "We made that clear to Qatar following Hamas's rejection weeks ago of another hostage-release proposal."

A spokesperson for Qatar's Foreign Ministry said reports about the Hamas office in Doha were inaccurate but that Qatar's efforts to mediate between the parties are currently stalled. Senior Hamas officials denied that they had been asked to leave.

—Jared Malsin

AFGHANISTAN Taliban to Attend U.N. Climate Talks

The Taliban will attend a United Nations climate conference for the first time since they took over Afghanistan in 2021, the country's national environment agency said on Sunday.

The conference, known as COP29, begins on Monday in Azerbaijan and is one of the most important multilateral talks to include the Taliban.

In August, the international aid agency Save the Children reported that Afghanistan ranks sixth among the world's countries in vulnerability to the impact of climate change.

—Associated Press

WORLD NEWS

Amsterdam Attacks Reverberate

Continued from Page One
nized, Dutch authorities said, and the attackers were equipped with fireworks and moved quickly, targeting Israeli fans with “hit-and-run” assaults. Police said they were investigating who instigated the assaults and how they were coordinated.

More than 60 people were arrested before and during the soccer match, prosecutors said. Four suspects, including two minors, remained in custody on suspicion of participating in violence, the prosecutors’ office said.

Maccabi fans interviewed by The Wall Street Journal said the violence came to a boil after two days in which they were stalked and harassed in Amsterdam—during a week that the Dutch commemorate Kristallnacht, when German Nazis attacked Jewish people and property from Nov. 9-10 in 1938. Some Maccabi fans said they saw taxi drivers using their phones to document the fans’ whereabouts.

Messaging app Telegram was used to talk about “going on Jew hunts,” Amsterdam Mayor Femke Halsema said. “This is so shocking and despicable that I cannot get over it yet. It is a disgrace.”

A screenshot of a pro-Palestinian WhatsApp group chat, viewed by the Journal, called for a “Jew Hunt” on Thursday and referred to a standoff on Wednesday night in which Israeli fans were cornered by a crowd that police said included taxi drivers who had responded to an online call to mobilize.

“They knew everything,” said Shachar Bitton, a 30-year-old Maccabi fan. “They knew exactly where we stayed. They knew exactly which hotels, which street we were going to take. It was all well-organized, well-prepared.”

Bitton was inside the glitzy Holland Casino on Wednes-



Israeli financial adviser Ofek Ziv, above left, and Shachar Bitton, above right, were in Amsterdam as fans of the Maccabi Tel Aviv soccer club.



day—the night before the soccer match—when he saw two of his friends coming toward the blackjack and poker tables with bloodied faces.

Outside the casino, Bitton said, he saw around 200 people—many of them Arabic speakers—waiting for the Israeli fans to leave the casino.

WhatsApp, a messaging app owned by Meta Platforms, said using the app to organize violence is against its rules and said it would respond to any valid legal requests.

Telegram said it had closed down a group chat that might have been linked to the events in Amsterdam and said it doesn’t tolerate calls to violence on its platform.

European cities with large Muslim populations have become tinder boxes of tension since the start of the war in Gaza. Authorities have recorded a surge in antisemitic acts since the Oct. 7, 2023, Hamas-led attack on Israel and the subsequent conflict in which Israel has killed more than 40,000 Palestinians.

Amsterdam has been the scene of fervent pro-Palestinian protests, including one near the National Holocaust Museum when President Isaac Herzog of Israel attended its opening in March.

The city is steeped in Holocaust history. Amsterdam had

a large and thriving Jewish population before the Holocaust. It is where Jewish teen Anne Frank hid for years before she was arrested in 1944 and died in a Nazi concentration camp.

Supporters of the city’s Ajax soccer club often refer to themselves as “super Jews” and routinely display the Israeli flag or the Star of David at matches. Several Maccabi fans said warm relations with Ajax and its supporters was one reason they looked forward to the match.

The same night, however, the nearby city of Alkmaar was also hosting a soccer game: Its hometown club was playing Turkish team Fenerbahçe. That meant droves of Fenerbahçe’s pro-Palestinian fans were circulating through Amsterdam.

Meanwhile, thousands of Israeli soccer fans had poured into the city, many sporting Maccabi’s blue and yellow.

On Wednesday, fans of all three teams were involved in what police described as small clashes. Maccabi supporters pulled a Palestinian flag from a building facade and vandalized

a taxi, police said. In another part of the city, a Palestinian flag was burned.

Videos circulated on social media of Maccabi fans chanting anti-Arab and anti-Palestinian slogans. One clip verified by Storyful showed crowds of Maccabi fans descending a metro station escalator and chanting in Hebrew, “Let the IDF win. F—the Arabs!” in a reference to the Israel Defense Forces. Another video, also verified by Storyful, showed people removing a Palestinian flag as a crowd cheered and chanted: “F—you Palestine.” Storyful is owned by News Corp, the Journal’s parent company.

Jazie Veldhuyzen, an Amsterdam city council member, said his party disputed that pro-Palestinian sentiment was what drove the unrest, citing the videos of Maccabi fans chanting about the war. “The unrest that followed was a reaction to this,” he said.

Police said an online appeal went out for cab drivers to mobilize at Holland Casino and confront the roughly 400 Maccabi fans who had gathered there. Holland Casino

later said it banned a security guard from the casino after it learned the person had sent messages to a chat group that were linked to the confrontation there, adding that it doesn’t tolerate violence or antisemitism.

Bitton, meanwhile, was inside the noisy casino playing cards until about 1:30 a.m. By the time he realized what was happening, the anti-Israeli crowd outside had swelled to about 200 people, along with dozens of taxis and ride-hailing cars, he said.

Uber said there were no reported incidents of violence on any of the company’s trips. The company added it is supporting Dutch authorities’ efforts to identify offenders.

Police posted at the casino, Bitton said, refused to escort him and his friends to their hotel. “They said, ‘We’re not going to take you. Just keep walking. Whatever will happen, will happen,’” Bitton recalled.

Amsterdam police declined to comment on Bitton’s experience. Friday, they said they avoided major confrontations by escorting many Maccabi fans out of the casino and to their hotels.

At 3 a.m., Bitton said he left the casino in a group of 40 Maccabi supporters. For more than an hour, the men walked silently through the streets,

followed by men on bikes who cursed at them and shouted, “Free Palestine,” he said. They were also followed by taxis and Mercedes-Benz sedans that are typically used by ride-hailing services, Bitton said. The drivers filmed the group as they walked.

WhatsApp was buzzing. The screenshot viewed by the Journal of a group chat titled “Community Center” with a string of Palestinian flags showed a message in Dutch that called for a “PART 2 JEW HUNT” to take place after the Maccabi-Ajax match.

Police said they were prepared for the possibility of further clashes on Thursday.

A large group of Maccabi supporters gathered downtown in the early afternoon, where fireworks were set off and small fights broke out. Police redirected a pro-Palestine demonstration away from the soccer stadium, they said, though some participants broke off in search of confrontations.

Ziv, the financial adviser, said the atmosphere in the stadium was peaceful. He and other Maccabi fans serenaded Ajax and its supporters after the match ended.

“We really have a connection” with Ajax fans, Ziv said. “Even though we lost five nil.”

—Tobias Müller contributed to this article.

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CMO Network

Member Voices

The Wall Street Journal CMO Network connects the decision-makers behind the world’s most influential brands to discuss what — and who — is driving today’s trends and chart the path forward.



Kris Farmer

Chief Marketing Officer,
Veterans United
Home Loans

In the past two years, what’s the biggest lesson you’ve learned about marketing through economic uncertainty?

Draw a clear line between the things that are within our control and those things outside our control. We can’t control interest rates or overall housing demand, but we can control how we show up for veterans looking to buy a home. We can work to make an often stressful and complicated process easier for people.

What priorities rise to the top for you in your role as CMO during times like this?

The priorities that rise to the top are the ones that solve problems for military homebuyers. Sure, it can be difficult to run a business in uncertain times, but it’s also difficult to be a consumer. Great businesses understand this. Focus on the customer. What are their concerns, obstacles, fears and goals? How can you solve their problems?

What does authentic marketing look like for you? And what’s one mistake you think brands make during times of instability?

An easy trap, particularly in times of instability, is to look inward and ask

the question “What would help our business right now?” rather than “What do our customers need right now?” The biggest folly of some now-defunct major brands was that they were more focused on the products they offered rather than what their customers wanted. Truly authentic marketing puts the customer’s needs, not the business’s, in the center of the transaction.

When engaging with new social platforms, what traditional rules of advertising and marketing are you emphasizing? Minimizing?

On social platforms we emphasize our community of proud veteran homeowners. We shine a light on what homeownership looks like, feels like and means to them in their own authentic words. We minimize our products and services. It’s not about us. It’s about them.

What’s in your toolbox for investing in your team — to help them stay focused, feel supported and be productive?

Something that’s kind of unique at Veterans United are our small groups. We encourage executives, managers and those with a passion for a subject to lead a group of six to 10 people in a topic of their choosing.

Topics vary from navigating being a first-time manager to bourbon tasting to playing pickleball. This last year we had 600 groups and about 70% of our team elected to be a part of a small group. It’s been a great way to help build community in the company as well as offer opportunities for professional development.

Tell us about a milestone that shaped your career path.

Before I became a marketer I was the sole web designer for a small business. I’d make updates to the website and get real-time feedback in the form of a ringing phone. Being able to take action and see the direct results hooked me.

What are you most proud of in your current role?

Homeownership is one of those truly transformational and pivotal moments in someone’s life. Our team has made homeownership possible for nearly 600,000 veterans, the majority of whom were first-time homebuyers. They are enjoying life in their homes while building equity and wealth. It’s truly life-changing.

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FROM PAGE ONE

Parents Party Down At College

Continued from Page One
and you roll with it," she said.
Nicole Beit, whose twins are juniors at the University of Michigan and University of Wisconsin, has attended multiple parents' weekends and says day drinking and dancing are the new normal.
"You know what you're getting into," said Beit, 52, of Manhattan.
At the University of Michigan's parents' weekend in September, the football game started at noon, which meant "you're drinking at 8:30 in the morning," said Beit.

Not that parents are acquiescing to all the indignities. To avoid having to drink cheap beer, DeLeon stuffs mini bottles of Tito's vodka in her fanny pack and Beit said her peers tend to bring their drink of choice in insulated water bottles.
"The frat houses are disgusting but you make the best of it," said Beit, whose son deejays for his fraternity at the University of Wisconsin, where a giant tent is set up overlooking the lake. "We're dancing, hanging out with the kids and pre-gaming."
Brynna Dow, the 22-year-old daughter of DeLeon, said she wants her mom and stepfather to experience her college life.
"My mom was once a 21-year-old partying and celebrating with her friends," said Dow, the youngest of four children in Melissa and John

DeLeon's blended family. "I never got to see that. When they come here, I get to see her party with me and my friends. I get to see them not just as parents."
DeLeon counted down the days leading to parents' weekend on TikTok and encouraged peers to bring Tums to parents' weekend because the last time she was there she ended up at Taco Bell at the end of the night. "Our stomachs are not what they used to be," she said.
Not everyone is on board with the debauchery. When Katherine and Michael Ferguson visited their daughter Camille, a senior at the University of Miami, earlier this fall, they enjoyed time mingling at an outdoor bar with Camille's friends and their families. Katherine Ferguson said she doesn't want anyone to judge her for not imbibing and

doesn't judge anyone for indulging with their kids.
"Everyone has their own feeling on how they run their families," said Ferguson, of Denver, Co., adding, "It is eye opening."
Another parent put it like this: "The kids have so many drinking buddies they don't need their parents," said Kristin Newberry, of Atlanta, Ga., who recently returned from visiting her son at an SEC school.
Alyssa Broad, a senior at the University of Southern California, captured her father, Ken Broad, downing a red Jell-O shot at parents' weekend on a TikTok with the caption "drinking for parents weekend at 10am."
"As they get older we're advisers and friends and you forge a relationship that allows you to do things like hang out on a parents' week-

end," said Ken Broad, of Mill Valley, Calif., who joked that at nearly 60, "I can't do what I used to."
The USC football game started at 12:30 pm which meant an early morning of drinking. By 9:30 a.m., Alyssa Broad, her 17 roommates and their families were on the lawn of their shared house dancing as a nearby deejay played "Y.M.C.A." and other tunes that appealed to parents, she said.
"The vibe is, have fun with your kids, enjoy reminiscing on your college days and be part of your kid's school community," Alyssa Broad said. "We want them to see the places we have fun."
Universities have taken notice but walk a fine line when addressing the issue with parents.
"We try not to parent the parents," said Marcos Guz-

man, 35, associate dean of students and director of sorority and fraternity programs at the University of Arizona. Since joining the University of Arizona in 2015, Guzman has seen parents playing beer pong, dancing on tables and doing beer bong, saying the parents "seem to be acting a lot crazier than the students."
When he was a student at Bradley University in Peoria, Ill., Conor McEntee thought it was so unusual to see dads "revert to their 21-year-old selves and let loose" that he penned a column about it for the student newspaper titled "Dad-quiris" and "Mom-garitas" at parents' weekend.
"The dichotomy of business men coming in and being so self-assured and quiet to see them drink out of a beer bong and play beer darts was wild," he said. "It was so out of character but all in good fun."

Global Perils Loom For Trump

Continued from Page One
have," the former official said. "We could have a discrete North Korea policy. We could have a discrete Iran policy. Now it's got to be done much more holistically."
Unlike Biden, who hasn't spoken to Russian President Vladimir Putin since February 2022, Trump has signaled that he is aiming to negotiate a settlement of the war in Ukraine with Putin. Such personal diplomacy might be helpful in weakening the new anti-American axis, said retired Lt. Gen. Keith Kellogg, who served in top national-security positions in the Trump administration.
"It all starts with personal relationships," said Kellogg, who wasn't speaking on behalf of the campaign but is being considered for a senior job in the new administration. "A President Trump will reach out to key leaders to try and find a way to work through a problem. You always have stronger options available, like sanctions or brute force, but it is not the option of first choice."



Then GOP presidential nominee Donald Trump, above, meeting with Ukraine President Volodymyr Zelensky at Trump Tower in New York on Sept. 27. Children looking at ruins, below left, following an Israeli strike Thursday at a refugee camp in central Gaza. An honor guard, below right, carrying the coffin of a Ukrainian serviceman during a funeral service Friday in Kyiv.



"America's alliances are likely to come under new strain, if Trump raises trade tariffs on European and Asian allies, as he said in his presidential campaign. He has frequently complained that countries such as Germany, which runs a huge trade surplus with the U.S. while enjoying its military protection, are taking advantage of American largess.
"I don't think Trump has a plan to destroy alliances, but he also doesn't really care about them," said Jeremy Shapiro, director of the U.S. program at the European Council on Foreign Relations. "He thinks they are rip-offs for the American public, and that allies are like relatives who come to your house to borrow money and then stay all day and use your pool."
Bracing for a new U.S. relationship, French President Emmanuel Macron warned Thursday about "naive transatlanticism," in an address to European leaders gathered in Budapest. Trump "has been elected by the American people, and he will defend American interests, which is a legitimate and good thing," Macron said. "The question is whether we are ready to defend the interests of Europeans. This is the only question."
During Trump's first term, his team initially struggled to persuade Europeans to replace equipment from state-owned Chinese telecommunications suppliers such as Huawei, fearing their potential for espionage. Trump's trade war against Europe made some leaders less willing to work with Washington.
If European governments feel the new Trump administration threatens their security by accommodating Russia over Ukraine, American allies might be tempted to improve ties with China, the world's other great power, even if it means breaking ranks with Washington.

ministration by and large continued, former and current advisers said. Trump might return to the trade war that marked his first administration and invest more in U.S. military preparedness for a possible conflict in the Pacific.
The president-elect is more wary of Chinese leader Xi Jinping, whom he blames for the Covid-19 pandemic and, because of its disastrous consequences, his loss to Biden in 2020, two former Trump administration officials said. Trump also was angered by Chinese attempts to hack his 2024 campaign.
Trump won't have the same willingness to take Xi at face value, one of the former officials said.
Sen. Chris Coons (D-Del.) warned that any Trump mishandling of relations with European allies could prove a geopolitical boon for Beijing. "The Chinese have been waiting for it and preparing for it, and we are better off challenging China's technological advances and intended dominance in partnership with our allies," he said.
Shrinking American military commitments overseas was a goal in Trump's first administration. Current conflicts in Europe and the Middle East don't involve U.S. troops directly, but that doesn't mean Trump will stay on the sidelines. Instead, former and current advisers said, the incoming commander in chief will likely try to involve himself diplomatically, potentially more than Biden did.
"He wants to insert the U.S. into every conflict in the world to mediate, to bring about diplomatic solutions," the

former Trump White House official said. "That's going to be a major centerpiece for what he does, being kind of a broker for peace all over the world."
Even lower-level disputes stir Trump's penchant to place himself at the center of negotiations. One former White House official recalled arriving at work one day during the first administration and hearing Trump talk about mediating the longstanding—and politically far afield—dispute between Ethiopia and Egypt over the Grand Ethiopian Renaissance Dam on the Nile.
Trump's key asset is his unpredictability, unlike Biden who often telegraphed his actions in advance, according to supporters and even some of his critics. In a January 2022 gaffe, Biden said that Western allies wouldn't have a unified response if Putin carried out a "minor incursion" into Ukraine—remarks that Trump's supporters say encouraged the full-scale invasion just over a month later.
With Trump, rival leaders can't be certain how far Amer-

ica would go in reacting to their moves, allies say.
"Deterrence requires clearly communicating threats to your adversaries, and Trump did that, love it or hate it," said Matthew Kroenig, vice president of the Scowcroft Center for Strategy and Security at the Atlantic Council. He served as a senior adviser at the Pentagon in the first Trump administration.
Heavy price
Trump has made clear that he wants to end the war in Ukraine, though he hasn't said how. His advisers suggest freezing the war in place, confirming Russia's de facto seizure of about 20% of Ukraine, and coercing Kyiv to abandon for decades its quest for membership in the North Atlantic Treaty Organization.
Putin, however, is interested in taking a much larger chunk of Ukraine, as well as gaining control over the future government in Kyiv, which Trump might find unpalatable.
Trump "is going to do what

it takes to bring the war to an end and the killing to an end," O'Brien said. "How he goes about that diplomatically, we will see how that plays out. But the president has been very clear that the killing should stop."
Trump was determined to be tougher with Iran than Biden, reviving sanctions enforcement and returning to the "maximum pressure" campaign of his last administration, especially if Tehran edges closer to obtaining nuclear weapons, advisers said.
Then on Friday, the Justice Department disclosed that the Federal Bureau of Investigation had foiled an Iranian plot to assassinate Trump before the election. In August, U.S. prosecutors charged a Pakistani man with ties to Iran in a plot to kill Trump.
Trump remains willing to talk with Iran, one of the former Trump administration officials said, but Tehran is going to pay a very heavy price at the negotiating table. "Maybe you shouldn't have tried to kill him," the former official said.
Neither Trump nor his running mate, JD Vance, want war with Tehran, people close to the presidency said. But that doesn't mean he would stand by if Iran decided to build nuclear weapons, the people said.
Trump has long campaigned against what he called endless wars, and he might finally withdraw U.S. troops from Syria and Iraq, where they have repeatedly come under attack from Iranian proxy groups.
"We don't know yet what it will be, but Trump's approach will be much, much stronger, and

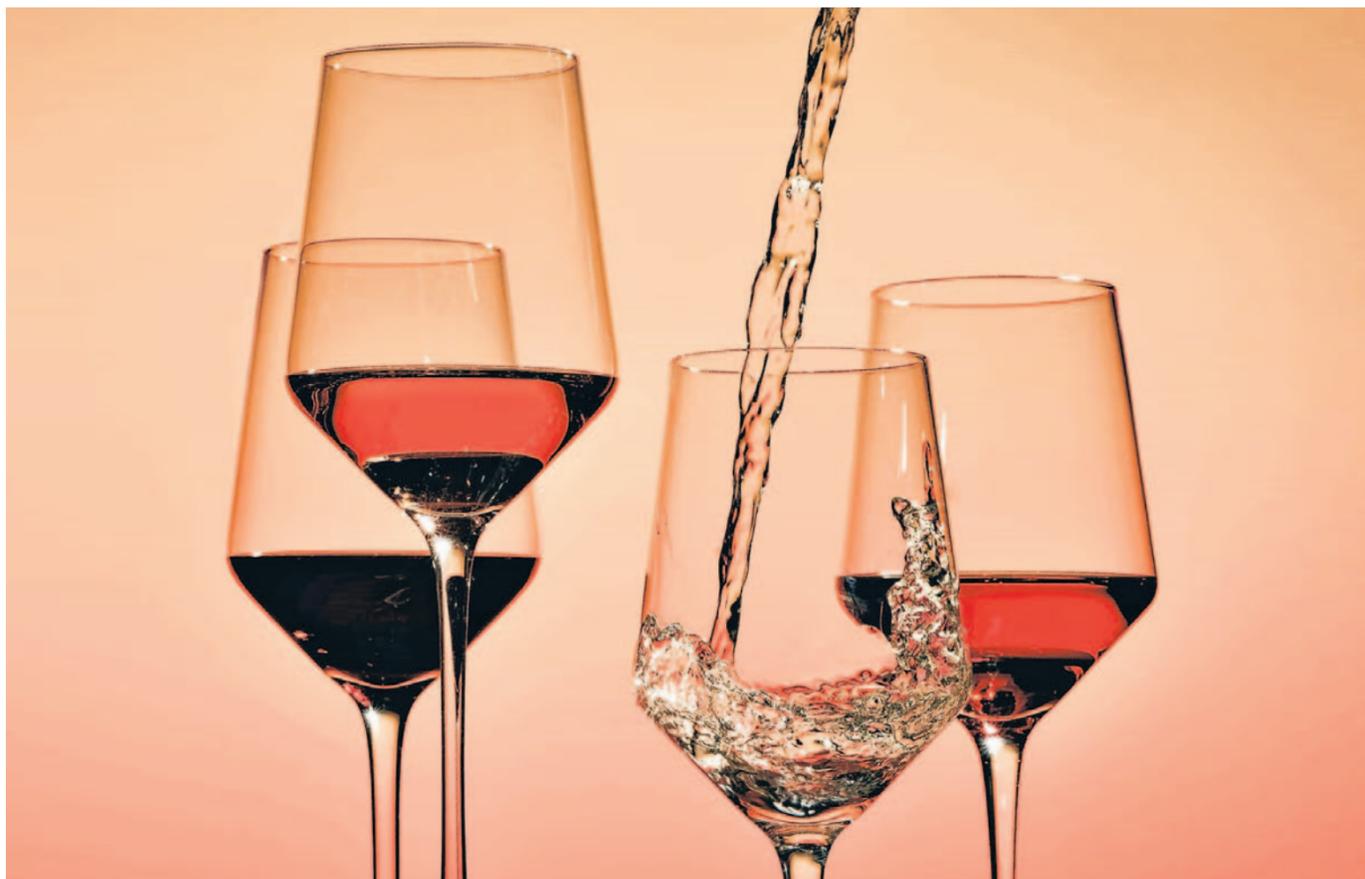
that should be no surprise to anybody," said Andrew Tabler, a senior fellow at the Washington Institute for Near East Policy who served in Trump's White House. "He's likely to use diplomacy, sanctions, as well as a credible threat of military force to try and affect an outcome."
Trump will likely seek to include Saudi Arabia in the Abraham Accords, a series of bilateral agreements his administration negotiated between Israel and four Arab nations, former and current advisers said. He failed to accomplish that in his first administration.
Unlike the Biden administration, which dissuaded Israel from striking Iran's nuclear sites and energy export facilities, Trump had told Israeli Prime Minister Benjamin Netanyahu to "do what you have to do," regarding Iran and its proxies.
Netanyahu isn't likely to have unlimited U.S. backing to pursue military operations in Gaza and Lebanon, given the devastating toll on Palestinian and Lebanese civilians. Trump had a falling-out with Netanyahu over the Israeli prime minister's refusal to challenge the legitimacy of Biden's victory in 2020. Though the two men patched up ties this year, Trump's resentment remains, according to current and former advisers.
Trump successfully campaigned to attract Muslim and Arab voters appalled by the carnage in Gaza, defeating Vice President Kamala Harris in heavily Arab-American towns, such as Dearborn, Mich. Unlike Biden, Trump would pay a limited political price in Congress for strong-arming Netanyahu to wind down the war, if he chooses to do so.

Hard line
The U.S.-China relationship is likely to dominate Trump's second term. He is expected to double down on his hard-line approach, which the Biden ad-



From left, Sweden's Prime Minister Ulf Kristersson, Austria's Chancellor Karl Nehammer, France's President Emmanuel Macron and Germany's Chancellor Olaf Scholz at a meeting Friday in Budapest.

CLOCKWISE FROM TOP: JULIA DEXMAREE/NIKHNSON/ASSOCIATED PRESS; EVAD BABA/AGENCE FRANCE-PRESSE/GETTY IMAGES



Delicato Family Wines launched Bota Box Breeze, a group of six lower-calorie wines, in 2021.

launched this year, says experimenting with grape varietals is yielding better results.

The brand labels itself “the official wine of Tuesday nights” and has introduced three \$22 bottles: Sauvignon Blanc, rosé and Cabernet Sauvignon. Each glass has 70 calories. Red wines, which typically have more alcohol and sugar, are trickiest to perfect.

“Wines that taste great at full alcohol will taste like garbage when you dealcoholize them,” says Joldersma, who adds that it took months of tinkering to create Arlow’s Cabernet.

A new breed

A group of consumers under 45 is driving this trend. They have less allegiance to adult beverages and want options to drink in a more health-conscious way, says Kathy Pyrcz, vice president of marketing at Delicato, based in Napa, Calif.

The company launched Bota Box Breeze in 2021 and has expanded to six boxed low-calorie wines, around 85 calories a serving. They also launched a low-calorie Pinot Grigio from Francis Ford Coppola Winery this year.

At BevMax, a wine and liquor retailer in Stamford, Conn., interest in low-calorie wines has been building for a while, CEO Michael Berkoff says. People who started purchasing canned hard seltzers like White Claw or Truly are now exploring lower-calorie wine. The sales account for just 2% of wine sales, but customers who switch to low-calorie whites repurchase often, Berkoff says.

“They are not switching back,” he says.

Some winemakers are rebranding their lighter offerings.

J. Lohr Vineyards & Wines, in San Jose, Calif., has taken its slower-selling Riesling and played up the fact that it’s 90 calories a serving. It also has a new, colorful label. The \$13 bottle appeals to a younger consumer without being “overt” about calorie counts, CEO Steve Lohr says.

While the Riesling’s winemaking process hasn’t changed, J. Lohr tested the wine to get nutritional information to emphasize the naturally lower calorie count. It relaunched in 2022 and is now a best-seller. It has won awards, and Wine Enthusiast named it a best buy.

For Krystal Verstraete, a personal trainer in Wilmette, Ill., the low-calorie, low-alcohol bottles “did the trick,” but ultimately became a steppingstone to mostly not drinking.

These days, she drinks a few times a year and plans way ahead of time.

“I’m not going to waste any of my calories on them,” she says. “It is going to be a Veuve.”

Low-Cal, Low-Alcohol Bottles Of Wine Are Catching On

Winemakers bet on younger, health-conscious drinkers; ‘the official wine of Tuesday nights’

By ALINA DIZIK

Winemakers have a new pitch: lower-calorie whites that won’t make you regret indulging the morning after.

While overall wine sales have declined for the third year in a row, the light wine category has increased to \$209 million in sales in 2024 from \$16 million in 2019, according to Circana market research provided by Delicato Family Wines. Many of the newer offerings cost less than \$15 a bottle and clock in around 80 calories a serving—as opposed to the 120 calories in a typical glass of white wine.

Winemakers are betting on younger, health-conscious drinkers who still want the ritual of enjoying a glass or two during the week.

Chateau Ste. Michelle, a winery in Woodinville, Wash., launched its \$13 Light Chardonnay and Light Sauvignon Blanc earlier this year. The company removes alcohol from 30% of the finished wine and combines it with unaltered wine to preserve the taste. About a quarter of buyers become return customers, according to grocery data provided by the company.

Consumers want “wine options that fit into a healthy lifestyle,” head winemaker Katie Nelson says.

Flavor shift

Wine drinkers don’t always love that low-cal taste.

Michele Zimitski, a skin-care salon owner in Harrisburg, Pa., says she’s tried 14 or 15 such varieties from her local wine shop. Some were tough to sip. They lack the complex flavor of the whites and reds she typically drinks.

“Just watered-down would be the best way I could describe it,” says Zimitski. She still seeks an option that makes her want to reach for a second glass on a weeknight.

Milena Kotara, from Stamford, Conn., first learned about light wines on Instagram. She found some options too bitter, but once a week she pours her favorite into a long-stem glass after her 1- and 3-year-olds are in bed. She enjoys the lower-calorie wines’ taste, but they don’t disrupt her sleep.

“The truth is, I love the flavor of wine,” she says.

Winemakers rarely dilute their



wine with water to lower alcohol. Most use a distillation process to remove a portion of the alcohol. Lowering alcohol content in wine automatically lowers calories, but it also affects flavor, says Matthias Schmitt, a researcher at Hochschule Geisenheim University in Germany who specializes in removing alcohol from wine.

Alcohol “is complex in its sensory impact to the wine,” he says.



Chateau Ste. Michelle, left, and Arlow offer low-calorie wines.

Higher alcohol content also creates a perceived sense of sweetness, he says.

Winemakers are aware of the perceptions—and the criticism. Brandon Joldersma, chief executive of Arlow, a low-calorie brand based in Benicia, Calif., that

The Election Results And Your Money

By ASHLEA EBELING, IMANI MOISE AND OYIN ADEDOYIN

The second Trump administration stands to pursue tax cuts and policy initiatives that millions of Americans will feel in their wallets.

President Biden’s push to curb credit-card late fees could be sidelined, analysts say.

They don’t expect his student-loan relief efforts to survive, either. With a Republican-leaning Congress, President-elect Donald Trump’s 2017 tax cuts are more likely to be extended.

Pocketbook issues have already been a focus of the election, especially inflation. Investors greeted the election results by sending stocks soaring.

Much of the president’s personal-finance agenda would need congressional action, and some of the biggest proposals could take years to become reality. Here are a few areas of financial impact:

Some of the biggest proposals could take years to become reality.

Extending tax cuts

In 2017, Trump signed the Tax Cuts and Jobs Act, which lowered taxes for 80% of taxpayers. Many of those tax cuts will expire at the end

of next year unless Congress acts. Trump has vowed to extend the tax cuts and to build on them, by eliminating taxes on tips and Social Security benefits.

Renewing the measures would retain the higher standard deduction and lower income-tax rates, keeping the top bracket at 37%. Affluent families could continue to

pass on huge amounts of wealth to heirs tax-free if the higher threshold for the federal estate tax remains. The maximum wealth someone can die with—or give away—without owing the estate tax in 2025 is nearly \$14 million.

Trump has separately said he wants to eliminate the state and local tax deduction cap of \$10,000 that was put in the 2017 law to help pay for the cuts.

Congress could extend the cuts temporarily, or make some permanent.

Student-loan relief

The Biden administration forgave more than \$175 billion in student loans for more than 4.8 million Americans, according to the Education Department. Some proposals have been struck down while others



Financial concerns including inflation were a voter focus during the election.

During his last term, Trump sought to limit the CFPB’s regulatory powers over financial institutions. The agency ordered banks, debt collectors and other financial companies to provide about \$2 billion in consumer relief during his last term, compared with \$6 billion during Biden’s first three years.

Trump has floated a long-shot proposal to cap credit-card interest rates at 10%.

Child tax credit

Extending the 2017 tax cuts would mean retaining the child tax credit of up to \$2,000 per child under 17. Vice President-elect JD Vance has said that he would like to raise the credit to \$5,000, but such a measure could meet Republican resistance in Congress.

Democrats will push for an expanded credit as part of negotiations around the 2017 tax law’s future. Vice President Kamala Harris called for a credit of up to \$3,000 per child, with a bump up to \$3,600 for a child under 6, and \$6,000 per child under 1.

The credit begins dropping to zero for single parents with adjusted gross income more than \$200,000 and married couples with adjusted gross income more than \$400,000.

have met legal challenges.

The Saving on Valuable Education plan, known as SAVE, has been tied up in the courts because of lawsuits from Republican-led states arguing the president overstepped his administrative authority. The plan made the path for debt relief easier for longtime borrowers and those with low balances. Millions of borrowers enrolled in SAVE have had their loans put in temporary forbearance pending the legal outcome.

Trump is unlikely to continue the legal defense of the SAVE plan, said Tristan Stein, associate director for higher education at the Bipartisan Policy Center. He could also push Congress to replace the program.

“Trump has generally spoken in opposition to the Biden administra-

tion’s student-loan forgiveness initiatives,” Stein said.

Credit-card late fees

Trump’s victory would also likely halt or reverse some rules developed by the current Consumer Financial Protection Bureau, like the \$8 cap on credit-card late fees, according to Tobin Marcus of financial analysis firm Wolfe Research.

Under the Biden administration, the CFPB also penalized corporate giants like Goldman Sachs and Apple, and sought to expand its authority to regulate fintech companies such as PayPal and buy now, pay later providers.

Now, the CFPB is likely to take a more business friendly stance, similar to its approach during Trump’s first term, industry analysts say.

PERSONAL JOURNAL.

By VERONICA DAGHER

It is getting more costly to be in a homeowner's association or condo.

Dues are rising faster than inflation for many of the roughly 76 million residents of communities that keep shared pots to pay for expenses. The money pays for things such as swimming pools, recreational facilities and landscaping, as well as upkeep and insurance for the association.

In some parts of Washington state, including the Seattle area, homeowners' association dues have more than doubled during the past year on average, according to Realtor.com, a listings marketplace.

Condo association dues are up 6% nationwide this year versus last, and as much as 15% in parts of Florida, according to real-estate brokerage Redfin.

Maintenance fees for recently-sold co-ops in Manhattan rose 27% in the third quarter of 2024 from four years earlier, and condo fees rose 41% in the same period, appraisal firm Miller Samuel said.

Buying a newly constructed home means paying the fees more often than not. Eighty-one percent of new single-family homes sold in 2023 are in an HOA, compared with 73% a decade earlier, according to the U.S. Census Bureau.

Nearly a third of the U.S. housing stock is part of community associations, which include HOAs, condominiums and cooperatives, according to the Foundation for Community Association Research. The fees can range from a few hundred dollars a year to thousands every month.

"Buyers are spending much of their monthly payment on things other than the property itself," said Joel Berner, senior economist at Realtor.com. (News Corp, parent of The Wall Street Journal, operates Realtor.com.)

The association fees are further stretching the budgets of current and prospective homeowners.

Higher home prices and mortgage rates already make home buying prohibitive for many. Other costs like utilities and property taxes also are climbing in many areas of the country.

Higher association fees are part of the reason owners such as Judy Goldstein are selling. She said her \$12,500-a-year HOA dues are another expense to worry about for the upkeep of her roughly 1,800 square-foot 3-bedroom house in Boynton Beach, Fla.

Real-estate agents have told her that her dues are high for the area and have deterred some buyers. Goldstein, 82 years old, is hoping to be able to sell before she also has to pay a coming special assessment: about \$780 to

Homeowners' Dues Are Rising, And They Are Harder to Avoid

HOA fees are exceeding inflation for the millions of residents who live in these communities



Nearly a third of the U.S. housing stock is part of community associations, which include HOAs, condominiums and cooperatives.

fund a pickleball court that she has no intention of using.

"It's all too much," she said.

Moving target

Unlike a fixed mortgage payment, HOA dues tend to increase over time. The size of the dues in part depends on the square footage of the home, its location and the number and age of the buildings in the community. In 2024, 9% of homeowners will pay more than \$500 a month in HOA fees, compared with 6% in 2020, according to the Foundation for Community Association Research.

They are generally mandatory and not negotiable. HOAs may foreclose on owners for unpaid dues, which can result in the loss

of an owner's home, said Pierre Debbas, a real estate lawyer in New York City.

Services such as trash collection and snow removal are increasingly shifting away from cash-strapped local governments to community associations, said Dawn Bauman, executive director of the Foundation for Community Association Research.

Owners who frequently use the amenities might feel they are getting their money's worth. They might enjoy the community parties and using features such as a clubhouse that otherwise they might not be able to afford.

Associations are meant to help homeowners financially by ensuring property values in their neighborhood don't go down, said Rick Sharga, CEO of CJ Patrick, a real estate consulting firm.

The evidence is mixed on whether HOAs actually support property values. Residents and

property managers alike say that a community that never raises dues could fall into disrepair.

Rising costs

Karen Kostiw, a real-estate agent in New Jersey and New York, said HOA fees have become more unpredictable compared with about four years ago.

She recently has seen the fees jump by 15% to 20% in a year, stemming in part from more frequent and pricier repairs to big-ticket items such as roofs and boilers. An increased number of natural disasters, including flooding, have made the major fixes more frequent and costly. She added that expense of salaries and benefits for HOA employees such as property managers and maintenance staff is also rising.

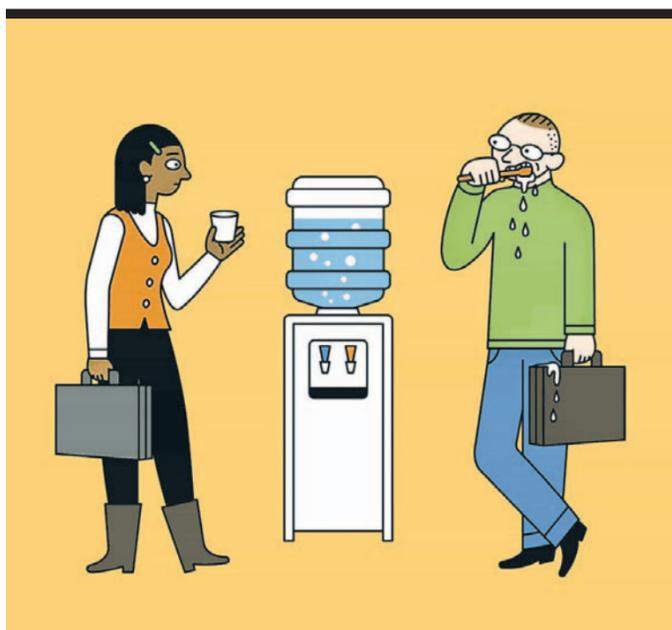
"There is a delicate balance of being empathetic to owners with fixed incomes while recognizing that the association does not have

fixed expenses," said Karl Kuegler, director of community association management at property management company Imagineers LLC.

Many condo associations in Florida are issuing special assessments and beefing up their reserve funds to tackle overdue repairs. The partial collapse of a building in Surfside, Fla., that killed 98 people in 2021 has led to new laws around condo repairs.

Before you buy in a community, you can typically figure out whether there is a special assessment by reviewing financial disclosures and board meeting minutes. In many states, buyers can make offers contingent on being able to review these types of documents, said Daryl Fairweather, Redfin's chief economist.

Looking at the last five years of dues is likely to give you a sense of how much they will go up in the future. "Don't assume that your dues will remain fixed," she said.



15-MINUTE FIXES

Midday Brushing Helps Teeth Shine

By ALEX JANIN

The WSJ is offering short suggestions—15 minutes or less—for how you can try to fix something in your life. Here's our latest:

We know it can be a little gross. But brushing in the middle of the day—even when you're at work—can do your teeth a favor.

Most of us grew up with *brush twice a day* written into our brains. Many oral health practitioners say you needn't stop at two. A midday tooth-brushing can help clear away plaque-promoting remnants of your afternoon doughnut, sweetened latte and even your mediocre \$15 desk salad.

"I would go as far as to say brush after every meal," says JaNae Jamison Kimbell, a dental hygienist

and vice president of the National Dental Hygienists' Association. "Three times a day is much better than once or twice."

Scientific research suggests more frequent tooth brushing may actually be linked to various long-term health benefits. One 2023 study in the journal *BMC Oral Health* suggests that people who brush once (or less) daily are more likely to have a chronic health condition than those who brush twice or more.

Break it up

Plaque begins to recolonize on the teeth between two to six hours after brushing it off, says Kimbell. After about 48 hours, it hardens to calcified tartar, which a toothbrush can't break up.

Brushing regularly helps disrupt the plaque and stop the colonization.

"The whole point of brushing is to remove the biofilm of bacteria that causes decay and gum disease," says Dr. Edmond Hewlett, a consumer adviser spokesperson for the American Dental Association and professor of dentistry at the University of California, Los Angeles.

It's especially important to clear out foods that are sugary, starchy, sticky and acidic. Think candy and sweets, chips and bread, and fruits and juice. When these substances come into contact with the natural bacteria in our mouths, they form acid, which can lead to cavities and tooth decay.

One caveat: Brushing immediately after consuming something acidic, like orange juice, can erode the tooth enamel that has been weakened by the acid exposure. Dentists generally recommend waiting between 30 and 60 minutes to brush, or neutralizing the acid with something calcium-rich like a slice of cheese.

Office etiquette

If you're going to commit to workplace oral hygiene, just keep these things in mind:

▶ You may have some bleeding around your gums. That, plus leftover toothpaste residue, could gross out your colleagues.

▶ Consider retreating to a private bathroom (with your soft toothbrush and fluoride toothpaste), if you have access to one. At the very least, clean up after yourself.

▶ If you just can't bring yourself to brush at the office, oral healthcare providers recommend swishing with water after meals, snacks and coffee breaks to clear away food or drink residue.

▶ Chewing sugar-free gum can also help by stimulating the flow of saliva, says Dr. Aaron Myers, a pediatric dentist and senior associate dean for clinical affairs at Columbia University College of Dental Medicine. That helps clear the remaining food in the mouth and neutralize acids.

▶ Flossing is also critical to clearing away food, but a floss pick might be a better choice for the office than thread. Just please, don't be that person flossing at your desk.

How Much Could a Car Repair Possibly Cost Today?

By JOE PINSKER

GETTING INTO A FENDER

bender can be a mind bender these days. That little dent, bump or scrape seems pretty minor until you're hit with the real damage: the bill.

Some of this is inflation. The cost of car maintenance and repairs revved up 28% during the past three years. Insurance might cover the work, but higher claims can raise your premiums. Another culprit is the cost and labor required for all the sensors and computers packed into newer vehicles, shop owners and industry analysts say. Estimating the cost of repairs is getting harder even for professionals.

Sticker shock

Scott Benavidez of Mr. B's Paint and Body Shop in Albuquerque, N.M., has more than 25 years of experience ballparking repair bills, but lately his initial guesses have been off.

"I say, 'It's going to be \$1,200,' and I sit down to write the estimate and it comes out to \$2,800," said Benavidez, the shop's manager and chairman of the Automotive Service Association, a national trade group.

When the dealership emailed Dusten Dussex a \$2,100 quote to fix a dent and scrape on his Toyota Prius Prime, he came to a complete stop. He replied with a GIF of the "Sesame Street" character Bert fainting.

"I was disappointed that they didn't respond," said Dussex, a 33-year-old health and safety inspector in Silver Spring, Md. "I

was like, 'OK, somebody doesn't have a sense of humor.'"

He plans to get a quote from an independent shop, but he may just live with the blemishes if the repair costs more than \$900.

Chips in the paint

The average repair cost for an insurance claim was \$4,721 in the second quarter of 2024, about \$800 more than three years earlier, according to Mitchell, a technology and information provider for auto insurers.

Tech-aided safety features such as automatic emergency braking and blind-spot monitoring have been effective in reducing both minor and major collisions, according to analyses by the Insurance Institute for Highway Safety, a research organization funded by the insurance industry. But they can add to the cost.

A decade ago, a typical car had around 10 to 30 onboard computer modules, according to Joe Marconi, a former mechanic and shop owner in Patterson, N.Y. Many now have 75 or more.

In 2024, some 26% of repairs associated with insurance claims have included recalibrating sensors, up from 5% in 2020, per Mitchell. Recalibrations add an average cost of \$500.

Unexpectedly high

Consider the side-view mirror. Replacing a busted one on a car from 2014 might cost about \$200 to \$400, including an hour of labor, Marconi said.

The same mirror on a 2024 car could have a camera and sensors for lane-change assistance, plus a heating element to keep them warm. The cost of repairs and replacements might be \$1,200 to \$1,500, with an additional hour of labor.

Take a Car Repair Quiz



Scan this QR code to see how accurate you are in estimating the cost to repair six damaged vehicles.

ARTS IN REVIEW



EXHIBITION REVIEW

A Dense Web of Trade and Transit

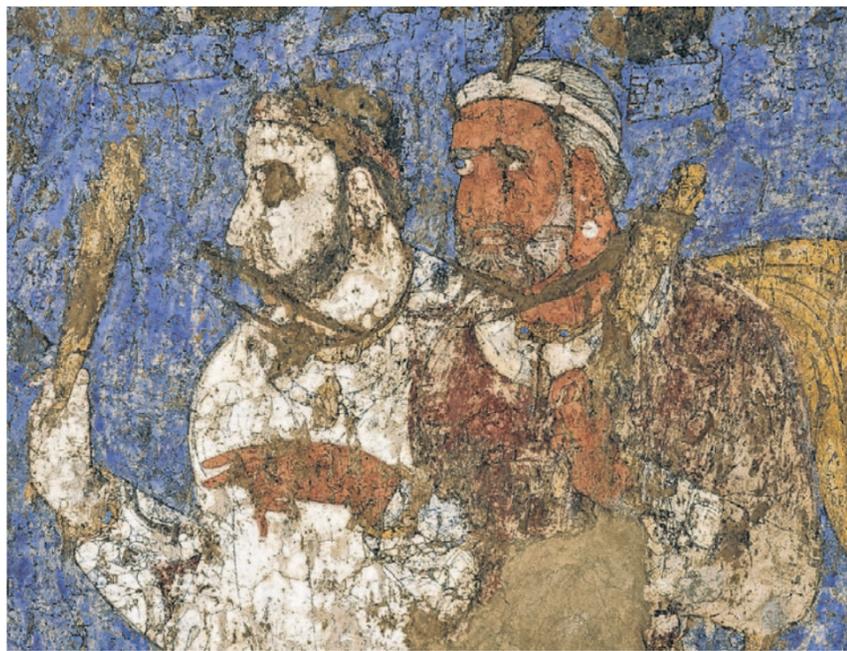
‘Silk Roads,’ a thrilling show at the British Museum, maps the complex connections among European and Asian civilizations

BY DOMINIC GREEN

Nineteenth-century geographers imagined the Silk Road as a one-way highway across Asia. The British Museum’s “Silk Roads” sets the exotica of camels, caravans, silks and spices in a web of pathways that also carried scrolls, icons, faiths and peoples in all directions, from Japan to Ireland, Kyiv to Constantinople. This thrilling whistle-stop tour through time and space focuses on A.D. 500-1000, the half-millennium encompassing the spread of Christianity and Buddhism, and the rise of Tang China and Islam.

Visitors are greeted by a tiny Buddha, its gold burnish faded to the green of its copper alloy. It was probably made in the late 500s to early 600s in the Swat Valley (now in Pakistan), a center of early Buddhism. It was excavated in Helgö, Sweden, on a pagan site dated to around 800. This is one pixel in a dense image of a proto-globalized world of cultural and commercial exchanges, assembled from fragments as small as the traces of papyrus labels on the shards of a blue flask from Samarra (modern Iraq) and as large as the 20-foot-long wall painting from the Hall of the Ambassadors in Samarkand (modern Uzbekistan), in which a blue-and-white parade of dignitaries and elephants, and a boating party of Tang women, mark the rise of China.

The curators, the British Museum’s Sue Brunning, Luk Yu-Ping and Elisabeth R. O’Connell, steer us across an interwoven world through more than 300 objects, including loans from 29 British and international collections, in a flow of five geographical zones, from East Asia to Northwest Europe. Tang China (618-907) dominates the first zone, “East Asia.” Chang’an, the



Painting from the south wall of the Hall of the Ambassadors in Samarkand, above, and a close-up of two figures from the 20-foot-long work, left.

cosmopolitan Tang capital, drew imports and immigrants eastward from Central Asia and the Indian subcontinent, and provided a religious and political model for its eastern neighbors in Japan and Korea. A rare bronze mirror with gold leaf attests to the indigenous faith of Daoism, and silver incense burners

Asian. Tang craftsmen also domesticated another Sogdian innovation for Chinese production, a drinking cup with a handle.

A bolt of silk and ceramic statues of horses and a Bactrian camel—laden with silks, a ewer and what might be a piece of rib meat—introduce “Routes in Asia.” The oases of the Tarim Basin connected China to India and the Tibetan empire across the Himalayas. The hoard in the Mogao Caves near Dunhuang, west of the Tarim Basin, included documents in more than 20 languages. A concertina-shaped book, “Heart of the Perfection Wisdom Sutra,” has alternating columns of Sanskrit and its Chinese transliteration. In “Miraculous Image of Liangzhou,” a silk embroidery, donors in Tang-style dress flank a Buddha. A fragmentary painting shows a Christian in local dress, perhaps Jesus as a *bodhisattva*, perhaps a Manichaean guide to the afterlife.

The southern route around the Tarim Basin led to the Buddhist kingdom of Khotan (now in Xinjiang, China). Indian *pothi* leaves carry vertical Chinese and horizontal Khotanese scripts that warn of animal-like female spirits. A Jewish merchant at Khotan writes a letter in New Persian using Hebrew script. Along the northern route around the Basin, a Persian-style mural at the Uyghur city of Kocho shows two Manichaean *electi* (clerics) with women in white headcloths, possibly Manichaean deities. A funerary banner depicting a red-robed, bearded man named Kara Totok reflects the Uyghur conversion to Buddhism around 1000.

Further west lay the Iranian-speaking Sogdians, the middlemen of Asian trade whose imperial capital was at Afrasiab (later Samarkand); and the khaganates of the Turkic steppe nomads who, via the rivers of the northern Caucasus, were in contact with Scandinavian Vikings by the late 8th century. On a golden belt plaque, a khagan glowers from his throne. The memory of Greco-Roman sculpture runs in the folds gathered around the statue of a prince or divine being

from Ajina-Tepa (now in Tajikistan).

In the third zone, “Central Asia to Arabia,” the Islamic conquests foster religious uniformity and stylistic syncretism. Arab rulers added Muslim profes-

sions of faith to Sasanian and Byzantine coinage. Local craftsmen adopted a new vocabulary of Arabic script and vegetal designs. An astrolabe from Baghdad, a world map from Cairo, and Abbasid ceramics adopting the Tang technique of using an opaque white tin glaze show how trade, religion and scholarship all boomed.

A torrent of goods and styles pours into the fourth zone, “Mediterranean Worlds,” as Muslim armies enter the Byzantine Empire. In Byzantine Cyprus, “The Life of the Buddha” was translated into Greek. In Egypt, a man wore a blue-green riding coat, woven from sheep’s wool and cashmere from Kashmir, and a necklace of Baltic amber beads was buried with its owner. The Jews of Fatimid Egypt wrote a contract for a marriage in Je-

rusalem, mentioning clothes from Sicily, a bucket from Baghdad, and a pot from Damascus. The fifth zone, “Northwest Europe,” turns north to Iberia and beyond the Pyrenees. A gold-painted bowl shows how Andalusian artists refined the Abbasid lusterware technique by adding crushed lead glass. Islamic-style foliage decorated a Corinthian marble capital at Cordoba and the bars of a crucifix in a northern Spanish monastery. A Syrian copper flagon, perhaps belonging to a mercenary who served the Byzantines, was buried in Essex. We encounter a casket from northern England carved from whale bone, its faces depicting stories from Northern European, Christian, Jewish and Roman sources. The origins of the West have never seemed so Asian.

Silk Roads
The British Museum, through Feb. 23, 2025

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

The exhibition traces the flow of not only goods but also faiths, peoples and cultures.

to the spread of Buddhism. A ceramic figure of a female lute player, intended for burial as part of a larger ensemble, plays alone in the afterlife. On a green earthenware flask, a lutist and harpist accompany a dancer performing the “Sogdian whirl.” The dance and, judging from their facial characteristics, the entertainers were Central



Ceramic figure of a camel, top; the ‘Franks Casket,’ made of carved whale bone, bottom.

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SPORTS

Trump Is Back. Is Pro Sports Ready?

The president-elect, who has clashed with the NFL, is set to leave his mark on a raft of issues, including the World Cup

By JOSHUA ROBINSON, ANDREW BEATON AND LOUISE RADNOFSKY

The polls were barely 24 hours from closing last week when Donald Trump made sure to address a pressing issue of both personal and national significance. The problem on his mind had been bothering him for months.

"Maybe we can get the NFL to drop that ridiculous kickoff," Trump said at a rally in Pennsylvania. "I watched a game the other day and said, 'What the hell happened?'"

Trump's unscripted football riff served as a loud reminder that his return to the White House will also mark the return of one of America's most powerful sports fans and critics, a vocal presence who has often cast entire leagues as political opposition, cozied up to some of the world's biggest stars, and freely sounded off on on-field issues to score points and fire up his supporters.

Now, the most sports-focused president in modern U.S. history will reclaim the Oval Office at a moment when his administration could leave its mark on some of the thorniest and most polarizing sports issues. These include questions around transgender athletes, a potential stake for the sovereign wealth fund of Saudi Arabia in the PGA Tour, and even the future of college athletics, where the line between once-amateur players becoming professional employees of their schools is wafer thin.

The country is also preparing to organize the two largest sporting events on the planet: the 2026 World Cup, which the U.S. will co-host with Mexico and Canada, and the 2028 Summer Olympics in Los Angeles. The country's major leagues, meanwhile, are staring down the possibility that they once again could be turned into political punching bags by the nation's highest office.

The golf world is of particular interest to Trump, and not just because he played hundreds of rounds during his first term. He also owns golf properties across



Some within the golf world are optimistic that a Trump administration could help seal a PGA Tour-LIV deal.

the globe, some of which hosted tournaments for the Saudi-backed LIV Golf startup.

In its early days after LIV's 2022 launch, Trump was one of the few politicians on either side of the aisle willing to support it after it faced controversy over its Saudi ties.

But professional golf these days is in a state of disarray after the establishment PGA Tour and LIV's Saudi backers agreed to ally, even though more than a year on they haven't yet actually come to an agreement. And one of the issues the sides face is that any pact will

be reviewed by the Department of Justice for antitrust concerns and its impact on the market.

In that regard, some within the golf world are already optimistic that a Trump administration could help see a deal through.

"He might be able to," four-time major champion Rory McIlroy said this week. "But I think as the President of the United States again, he's probably got bigger things to focus on than golf."

Except Trump's first four years showed that might not exactly be the case. Despite the long list of issues his administration's policies

could shape, some of his most visible actions are likely to come in the form of his running commentary and involvement in sports that is unlike any other president's.

The NFL, which has enjoyed a state of relative calm over the past four years, is intimately familiar with that.

At speeches and on social media during his presidency, Trump assailed players' national anthem protests against police brutality as unpatriotic. At one point, NFL players knelt en masse in a direct rebuke of Trump and his language,

creating an extraordinary situation in which America's most popular sport was locked in an ongoing feud with the sitting president.

An NFL spokesman declined to comment on Trump's election.

Already, Trump has tapped someone with NFL ties to his new administration. Susie Wiles, the daughter of the former kicker and late broadcasting legend Pat Summerall, will take the leap from campaign manager to White House chief of staff.

Other leagues and even individual athletes have found themselves a public foil for the president. Women's soccer and NBA players in particular were targeted by conservatives for their political activism, and this time around superstar LeBron James endorsed Kamala Harris just ahead of Tuesday's election.

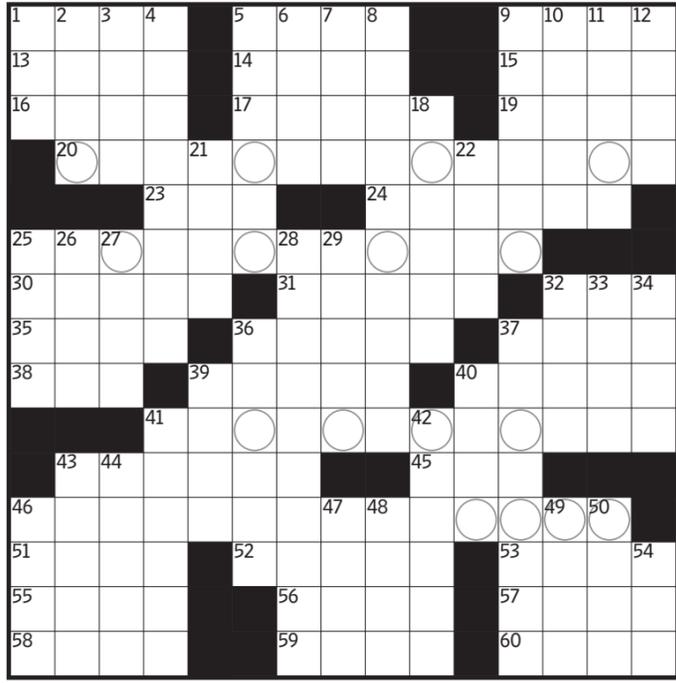
"When I think about my kids and my family and how they will grow up, the choice is clear to me," James tweeted a week ahead of the election.

One organization that has enjoyed a much smoother relationship with Trump is soccer's world governing body, FIFA. It was during Trump's first term that the U.S. won the right to host the next World Cup and FIFA president Gianni Infantino immediately made it his business to stay close to the White House. Over the course of roughly two years, he met with Trump in the Oval Office, sat next to him at the World Economic Forum in Davos, and visited him at his golf club in Bedminster, N.J. Then on Tuesday night, Infantino congratulated Trump in a post on Instagram before many outlets had even called the race.

Now, Trump will likely be the person to hand over the World Cup trophy at the final at MetLife Stadium on July 19, 2026.

"I am lucky enough in my life to come across some of the most talented athletes in soccer," Infantino said at Davos in 2020. "And President Trump is made of the same sort of fiber...He wants to show who is the best."

The WSJ Daily Crossword | Edited by Mike Shenk



- 26 Give off
- 27 Numbers for a number cruncher
- 28 Nacho chip variety
- 29 One of Groucho's brothers
- 32 Stylish
- 33 Undiluted
- 34 Shows curiosity
- 36 Protests inspired by John and Yoko
- 37 Dating deal-breakers
- 39 Filmmaker Jacques
- 40 Thigh muscle, familiarly
- 41 Potato or apple variety
- 42 Brunch dish
- 43 Incline
- 44 Concierge's workplace
- 46 Staff symbol
- 47 Muscle quality
- 48 Over-the-top performers
- 49 Spoken
- 50 Site of il Colosseo
- 54 Turquoise or topaz

IN A JAMB | By Mike Shenk

- Across**
- 1 Moonshine containers
 - 5 Light in the east
 - 9 Title pig of film
 - 13 Site of King Harald V's palace
 - 14 Canyon phenomenon
 - 15 Cupid's Greek counterpart
 - 16 Grievance
 - 17 Iron output
 - 19 Bearded farm animal
 - 20 Original name of hockey's Red Wings
 - 23 Stick (out)
 - 24 Cruise line with the Queen Mary 2 and Queen Victoria
 - 25 Highest decoration for a U.S. soldier
 - 30 Blow away
 - 31 Heaps praise on
 - 32 Pro with IRS forms
 - 35 Nabisco cracker brand
 - 36 They're raised in the country
 - 37 As a result
 - 38 Greek vowel
 - 39 Entice
 - 40 Peculiar habit
 - 41 Pulsars, for example
 - 43 Quarantined person
 - 45 "Holy cow!"
 - 46 Refusing to consider further, and a hint to this puzzle's circles
 - 51 A bunch
 - 52 Submerged sandbank
 - 53 Potential prince
 - 55 Foil and saber's kin
 - 56 "My treat!"
 - 57 Renown
 - 58 Hat maker's material
 - 59 It might make the grade
 - 60 Sound associated with 46-Across
- Down**
- 1 Applicant's objective
 - 2 Previously owned
 - 3 Great delight
 - 4 Soothing music format
 - 5 Old car make named for a Spanish explorer
 - 6 Play's opening
 - 7 Sharpen
 - 8 Worthless people
 - 9 Panhandler
 - 10 Cheering loudly
 - 11 Lumberyard piece
 - 12 Rough guesses: Abbr.
 - 18 Coconut-filled candy bar
 - 21 Occupy the throne
 - 22 A few, in Spain
 - 25 Stallion's mate
 - 10 Cheering loudly
 - 11 Lumberyard piece
 - 12 Rough guesses: Abbr.
 - 18 Coconut-filled candy bar
 - 21 Occupy the throne
 - 22 A few, in Spain
 - 25 Stallion's mate

Previous Puzzle's Solution



The contest answer is SEED. Each of four rows of the grid contains the name of a nut encasing another word: CASHBAR/NEW is BARN inside CASHEW; PESTO/RESCAN is STORES inside PECAN; FILLIN/EBERT is LINE inside FILBERT; ALG/RAYMOND is GRAY inside ALMOND. Those encased words satisfy clues for other answers (BARN>SILO, STORES>EATS, LINE>EDGE, GRAY>DRAB). The first letters of those answers spell the contest answer.

Liverpool's Succession Plan Appears to Have Worked

By JOSHUA ROBINSON



Arne Slot has led Liverpool to a fast start this season.

Liverpool had always known the day would come eventually. At some point, the club's legendary manager, Jürgen Klopp, would leave the place that loved him more than anywhere else in the world.

So when Klopp told his Liverpool bosses last year that he was ready to go, club officials were shaken, though hardly surprised. This wasn't the first time that an exhausted Klopp had indicated to the club's owners, the Boston-based Fenway Sports Group, that the pressure of the Premier League was taking its toll. But this time, he meant it.

The conversation didn't just signal the end of an era. It also started the clock on one of the most daunting challenges in sports: replacing an iconic coach.

"We created a real good basis for the next manager so the club can go from there," Klopp said on his way out. "It's really important what you leave behind."

That's easier said than done at most clubs. But since Liverpool replaced Klopp, the charismatic German who brought his brand of high-energy, everywhere-all-the-time soccer to Merseyside, the team has hardly missed a beat.

Now led by Arne Slot, the 46-year-old Dutchman it plucked from Feyenoord, Liverpool is off to a historically hot start.

Slot has lost just one of his first 17 games in charge across all competitions and sits in first place in the Premier League and the Champions League group stage. Its latest victory, a 2-0 win over Aston Villa on Saturday, extended its domestic lead to five points over Manchester City.

"Big shoes to fill, but you can also look at it as inheriting a squad and a team which has a winning culture," Slot said at his unveiling. "I look at being a suc-

cessor to someone who was successful as ideal, because there is an opportunity to win something."

To chalk this success up to simply picking the right candidate is to ignore the reshaping of the Liverpool universe that went into it. This was no ordinary workplace hire.

When Klopp broke the news to FSG in November 2023 that he would leave the following summer, he was giving them roughly six months' notice.

In Liverpool, it sent an analytics department led by a researcher with a Harvard Ph.D. in particle physics into high gear. The stated objective was to find a coach who believed in attractive, attacking soccer, a leader who could mesh with the culture, and above all, someone with a mathematically-proven track record of punching above his weight.

In Boston, Klopp's impending departure also coincided with a giant rethink about how FSG would run its soccer operations.

For one, the new boss wouldn't be granted the same title. Whereas Klopp had been Liverpool's manager, the next man on the touchline would be a head coach.

The difference might seem semantic, but it aligned with a new structure at the club.

Michael Edwards, an architect of the squad that won the 2019-20 Premier League title was returning as FSG's CEO of Football. FSG also appointed Richard Hughes as sporting director. And together, they would take the lead on hiring Slot.

Liverpool insiders say that this reorganization proved to be essential in a post-Klopp world. After all, Klopp had turned himself into a Premier League outlier simply by sticking around.

By the time he left Anfield last summer, his nearly nine years in charge had made him the longest-tenured active coach in England's top tier. Every other club had been through the recruitment process at least once. (And across town, Everton had been through it seven times.)

Just a few months into the highest profile job of his career, Slot has made it clear that he gets it.

"It will take some time to understand everything," Slot said. "It always helps to get to know the city...It helps even more if you win most of your games."

OPINION

No Such Thing as the Latino Vote



AMERICAS
By Mary
Anastasia
O'Grady

good but it won't get the party very far.

The honest explanation is that the spike in inflation leading to a higher price level, alongside elevated crime rates and four years of migration chaos, left Americans fed up. Student-debt forgiveness, threats to seize gas stoves, drag-queen story hour and men in women's sports didn't help. This was a throw-the-bums-out election.

Ms. Harris was warned and could have offered solutions to kitchen-table issues. Democrats instead chose to rely on their old standby strategy of identity politics. It failed.

The human desire to be part of a group is real. Small tribes whose members have a lot in common may be prone to vote as one. But the larger groups get, the more diverse their priorities become. This reality hit home for Democrats and journalists on Tuesday among what they like to call the "Latino" vote.

Democrats seem to believe they own Hispanic voters because people with Spanish heritage are victimized by gringos and free markets and prefer socialism over capital-

ism. If that were ever true, it isn't anymore. Some 45% of those who self-identify as Hispanics voted for Mr. Trump. I suspect it might have been higher if he were a more likable fellow.

Politicians have always tried to mobilize special-interest groups. In the 19th and much of the 20th century, Irish-, Italian- and Polish-Americans, who also happened to be Catholics, were a valuable political commodity in big cities like New York, Boston and Chicago. They had common interests in better working conditions and public services in the slums where they lived. But as generations went by, naturalized immigrants and their offspring adopted an American mindset and their group identity waned. They married other Americans and, while proudly connected to their heritage, they went different ways politically. Top electoral priorities of economic mobility and educating and protecting their children trumped solidarity with their ethnicity. They assimilated.

Today Catholics are a diverse group—those who practice and those who don't—and hold diverse political views. There is no monolithic Catholic vote.

The term Latinos is an American invention designed to allow for legal preferences that lead to the creation of political constituencies. But the group isn't a race, a common socioeconomic designation or even an ethnicity.

People from Latin America

are white, black, brown and Asian. When "Latino" first gained usage in the late 20th century it seems to have referred to Puerto Ricans, Cubans and Mexicans. But today people who trace their origins to the region also hail from Central and South America. They're Venezuelans, Colombians, Ecuadoreans, Peruvians, Guatemalans and Panamanians. Their cultures aren't the same even within countries. Norms in Medellín are different than in Cartagena, though both cities are in Colombia.

Hispanics in the U.S. are individuals who have agency. And they bring it to the polls.

Brazilians come from Latin America but speak Portuguese. When I asked around about how they self-identify on the census, I couldn't get a straight answer. A friend polled nine Brazilian-Americans. "Four said that they don't answer the question, some said Latino and one said Hispanic," my pollster reported.

Many Brazilians have German or Italian roots. In the south of the country Brazil shares a border and a cultural connection with Argentina.

Further north, Brazilians are largely isolated from the Spanish-speaking Americas. People from Guyana, where many have roots in India,

speak English. To what tribe do they belong?

Most people with Latin American heritage are Christian. Some are Catholics, some evangelical Protestants. Many have given up the faith. If they have a common value it's strong family ties. But some are staunch conservatives and others socially liberal.

According to the Pew Research Center, "the Census Bureau estimates there were 65.2 million Hispanics in the U.S. as of July 1, 2023, a new high." That was 19% of the population. The overwhelming majority was born in the U.S.

The stereotype of the Hispanic as the Mexican berry picker is outdated. Those agricultural workers are important to the U.S. economy and some Hispanics belong to organized labor, making them a natural fit for the Democratic Party. But union membership outside government is now about 6% of the nongovernment workforce. Many are doctors, lawyers, accountants and entrepreneurs or aspiring entrepreneurs who care deeply about economic freedom. An educated middle-class, from places like Venezuela, Colombia and Brazil, has also fled to the U.S. They're running away from the collectivism of the left.

Perhaps the most valued asset of many Latin Americans who have landed in the U.S. is their belief in their own agency as individuals. That's what brought them to America and that's how they vote.

Write to O'Grady@wsj.com.

BOOKSHELF | By Julian Baggini

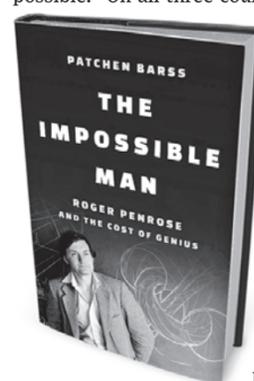
When Life Just Doesn't Add Up

The Impossible Man

By Patchen Barss
Basic, 352 pages, \$32

Reading about the lives of geniuses can be a powerful antidote against any envy we might feel for not being among their number. Almost invariably they turn out not only to have had the same flaws, trials and heartbreaks as the rest of us but to be deeply weird to boot.

The Nobel Prize-winning British physicist Roger Penrose certainly fits the template. Even so, Patchen Barss's absorbing biography, "The Impossible Man," is not a voyeuristic freak show. Mr. Barss, a science journalist, has a higher purpose: to help us better understand "how science happens, where creative inspiration comes from, and who contributes and sacrifices to make works of genius possible." On all three counts, he succeeds.



Mr. Penrose, now 93, is one of the most eminent scientists of his generation, best known for his work in cosmology and mathematics. The Nobel committee, in 2020, pointed to his discovery that "black hole formation is a robust prediction of the general theory of relativity." There is an ingenious "tiling" named for him—an elaborately intricate geometric puzzle of sorts. Mr. Barss does a good job of making Mr. Penrose's theoretical insights and conceptual breakthroughs as clear as he can,

but many of the ideas are so arcane, and the descriptions so brief, that only the most careful of readers will come away feeling enlightened. The focus of "The Impossible Man" is the life of an extraordinary mind, not its products.

That life started with an emotionally deprived childhood in Colchester—a small city in the east of England—in a home ruled over by his father, a scientist himself whose only interest in his four children seemed to be their intellectual performance. Mr. Penrose's mother was, at the time of her marriage, a bright young woman who was pressured into giving up her career as a doctor and suppressing her own sharp mind to play the role of housewife and mother.

Unfortunately, Roger absorbed these prejudices, and his first wife, Joan, ended up, as Mr. Barss shows, neglecting her own intellectual gifts for the sake of her husband. Mr. Penrose wanted his female companions to be his muses rather than his equals. He had a long, romantically unrequited relationship with Judith Daniels, started when she was a mathematics undergraduate, but only once publicly did he recognize the enormous role she played in his intellectual development. He asked his second wife, Vanessa, to give up her pursuit of a doctorate in mathematics, for which he was the supervisor, in order to marry him. Cultural norms had at least changed by the time Mr. Penrose began collaborating (about a dozen years ago) with the esteemed theoretical physicist Ivette Fuentes. She sternly reprimanded him when he suggested that she was his muse, understandably wanting to be seen as a scientist in her own right.

Mr. Penrose took no responsibility for how he behaved with these women, Mr. Barss argues, or with others in his life. In physics he saw only deterministic cause and effect; he drew the conclusion that, by extension, he had no real control over his own actions. Yet at other times he was happy to pin responsibility on others, believing that his first wife, as Mr. Barss puts it, "had taken calculated advantage of his naiveté and tricked him into this unhappy marriage."

A brilliant Nobel Prize winner struggles to understand why problems in relationships can be harder to solve than problems in science.

Mr. Penrose's four sons ended up estranged from him, largely because of the aggression and detachment with which, they believed, he had treated them and their mothers. Mr. Barss's plausible explanation of why Mr. Penrose has not tried harder to heal the rift is that "if he let them in, he would have to face them, acknowledge his past actions, and take responsibility for his behavior. If he kept them at a distance, he could go on believing he was the unfortunate victim of his own awkwardness and ill fate."

Mr. Penrose, it is clear, has a mind fit for physics, not for the messy world of human relations. He has struggled to understand how his relationship problems could be more difficult to solve than his scientific ones, treating the former as though they were as tractable and logical as the latter. As a biographer, Mr. Barss is willing to let his subject's contradictions lie. Life, he notes, isn't like some of Mr. Penrose's geometric puzzles: "The moment never comes when the last piece clicks into place and the puzzle is complete."

Mr. Penrose's mind works differently from most, including the minds of other scientists. One of his colleagues, the mathematical physicist Rainer Sachs, reported that, whereas Stephen Hawking's calculations were the kind he could imagine doing himself, "Roger's were completely alien"; they "always seemed to begin with an epiphany." Oddly for a mathematician, Mr. Penrose is not a natural with numbers but is an intuitive visualizer, with the capacity to imagine reality in four dimensions. One practical benefit of this skill is the ability to pack a surfeit of ice cream into a freezer when everyone else thinks it can't possibly fit.

Mr. Penrose has always had maverick tendencies, but they have not served him well later in his career. Most notably, his speculative theories about consciousness—he maintains that it derives from the quantum properties of particles in the brain—have been rubbished by more informed colleagues. Decades of being right when others thought he was wrong have emboldened him to dismiss his critics rather than listen to them. Mr. Penrose has found himself so close to the fringes that he even did a podcast interview with Joe Rogan, not exactly known for his appreciation of sober science.

Physics tells us that the past is no less real than the present or future. Although Mr. Penrose's later years have been a sad shadow of his glory days, his achievements can no more be erased from the eternal space-time continuum than his flaws can be separated from his incredible, unique mind.

Mr. Baggini is the author of "How to Think Like a Philosopher: Twelve Key Principles for More Humane, Balanced, and Rational Thinking."

The Good Sweepers in Valencia



INSIDE
VIEW
By Andy
Kessler

there's any good left in people.

It took travel and tragedy for me to find it. My wife and I picked our poison before Nov. 5 and skipped town. Destination: Valencia, which prospered as an endpoint of the Silk Road, even creating one of the world's first indoor silk exchanges. The city also contains the Holy Grail, which became my quest to find. Instead, I saw brooms.

We arrived by train in Valencia a few hours before a major storm. There were high winds but no rain where we stayed. It did rain up in the mountains. And fast. That's what happens when cold air hits the warm, moist air rising from the Mediterranean. Only this time, in some places, a year's worth of rain fell in a few hours. The water has to go somewhere.

The old-town portion of Valencia was mostly spared, but just to the south, a few miles from where we were staying, waters raged. Cars wrapped around light poles. Mud was everywhere. Many people were trapped, and more than 200 died. The Bonaire Shopping Centre, a huge mall with parking underneath, typical in this flat city, required divers to look for bodies in their flooded garage. They may still be pumping water out.

The next morning, the streets were filled with people



Residents sweep a street in Valencia, Spain, Nov. 2.

carrying brooms. Walking. Biking. On buses. More than 15,000 people headed over bridges to help clean up the mud from the flooding—an amazing mobilization of ad hoc volunteers. The police and army were on scene, but day after day I saw a mass of mostly young people with brooms heading to help.

Most volunteers carried small push brooms meant for small apartments. Seeing them reminded me of Dick Van Dyke and the chimney sweeps from "Mary Poppins." Even families with small children headed toward the disaster. Late in the day, I saw people returning with muddy clothes and sneakers.

Farmers also showed up in tractors to clear debris. As we walked through Valencia neighborhoods, we spotted collection sites for cleaning supplies and clothing for those displaced. It was inspiring. Flood-prone Brisbane, Australia, has a standing "Mud Army" of volunteers, but this was spontaneous.

It reminded me of New York City after Sept. 11. Residents waited in long lines to give blood. To help, to do something, to have purpose. Not all

the blood was needed, but no matter, it was therapeutic. Tragedy can bring out the best in people. That spirit was missing during the pandemic. Beyond heroic doctors and nurses, helping often meant rattling out your neighbor for not wearing a mask.

The first reaction for the cause of the Valencia flooding, as it always is these days, was "climate change." Maybe, but probably not. In the fall of

More than 15,000 volunteers in Spain came to help with the flooding aftermath.

1957, heavy rains overflowed the Turia River, which ran through the heart of Valencia. Thousands of homes were destroyed and at least 81 died.

After those floods, Generalissimo Francisco Franco—yes, he's still dead—embarked on a huge public-works project to dam and divert the Turia River to new waterways built a few miles south of Valencia, not far from today's flooding.

New regulations and mandates have led to assembly-line shutdowns and thousands of layoffs. Decades of unfair trade practices and an oppressive tax code leave Toledo and cities like it in decline.

For our gritty town, the Jeep plant has been a leg up for generations. This work has been passed down from fathers and mothers to sons and daughters for longer than I've been alive. Without it, many people who grew up like me are simply left with one less option to succeed.

When I walk into the barber shop, people are talking about Jeep jobs, inflation and crime, not identity politics. They ask questions about border security and the cost of living, not culture wars. The average American who looks like me simply isn't concerned with

the fake issues being peddled by the Democratic Party and the elites who set its agenda.

My message to Washington after the election is simple: Stop pandering to us. Treat us like adults. Treat us like Americans.

Whether you love Mr. Trump or loathe him, you can't accuse him of inauthenticity. Minority communities not only can handle that approach—we appreciate it, and we will vote for it.

Mr. Trump's Republican Party is where I belong. It's where my friends, neighbors and pastors belong. The voters have spoken loud and clear that his GOP is the party of the people. All of us.

Mr. Williams represents the 44th Ohio House District, which includes much of the Toledo area.

Why the GOP Is Winning Over Minorities

By Josh Williams

On Election Day, Donald Trump revealed the new coalition underpinning the modern Republican Party. As a proud black elected Republican, I believe today's GOP represents people like me better than the Democrats ever have.

My early life could be considered an "authentic" experience as a black man in America. I was once a homeless high-school dropout. As a young adult, I endured a devastating workplace accident that left me disabled. At 30, I pulled myself up and enrolled in college, determined to rewrite my story. Within the next seven years I became a practicing attorney and, in 2022, the first black Republican elected to the Ohio House of Representatives in 50 years.

I understand the needs and concerns of my community, because for many years I lived them. All the Democratic Party ever offered me was grievance, victimhood and welfare. What any American—black or otherwise—wants is the opportunity to work hard and achieve his dreams. The Republican agenda champions economic prosperity, energy independence, border security and community safety. Opportunity lives within the modern GOP, and last Tuesday people of color agreed in record numbers.

To understand why the Democratic Party has failed, just look at how its agenda has affected my hometown of Toledo. Toledoans are very proud of our Jeep plant, the backbone of our local economy. Unfortunately, it has been crippled by big govern-

OPINION

REVIEW & OUTLOOK

Behind Trump's Ban of Mike Pompeo

The votes aren't all counted from last week's election, but the 2028 contest for President is already underway.

That's one way to read Donald Trump's weekend message that Mike Pompeo and Nikki Haley won't be part of his second Administration.

"I will not be inviting former Ambassador Nikki Haley, or former Secretary of State Mike Pompeo, to join the Trump Administration, which is currently in formation," Mr. Trump posted on Truth Social Saturday. "I very much enjoyed and appreciated working with them previously, and would like to thank them for their service to our Country."

The announcement was hardly necessary. Presidents-elect pass over people for cabinet posts all the time without public declarations. Why rule them out in this way and so soon, in what seems like a pre-emptive attempt to embarrass them?

The slap at Ms. Haley is no doubt in part revenge for having run against Mr. Trump in the GOP primaries. She supported him in the general election and volunteered to campaign for him, but the campaign spurned her. Mr. Trump remains sore about her challenge, and with his victory isn't in a forgiving mood.

The ban against Mr. Pompeo is stranger on the surface. He served Mr. Trump as CIA director and then Secretary of State through all four years, a rare adviser with a national-security portfolio who lasted the term. Mr. Pompeo considered a run for President this year but decided against it and backed Mr. Trump.

The Pompeo ban makes more sense in light of the changing hierarchy behind the scenes in Trump world. Mr. Trump's son, Don Jr., is wielding greater influence, as is the media provocateur Tucker Carlson and their coterie. They lobbied hard to make JD Vance Mr. Trump's running mate, and they're already pulling strings to make him heir apparent. They'd like

to block anyone who might challenge Mr. Vance from gaining stature by holding a cabinet position in the second Trump term.

There is also a foreign-policy calculation at work. Mr. Pompeo and Ms. Haley believe in robust U.S. leadership in the world, including support for Ukraine, NATO, and alliances in the Pacific. The Don Jr. crowd and Mr. Vance want to pull back from some of those commitments.

One online MAGA acolyte tweeted Sunday that "The 'stop Pompeo' movement is great but it's not enough. Right now we need maximum pressure to keep all neocons and warhawks out of the Trump administration." Don Jr. retweeted his assent: "Agreed 100% 100% 100%!!! I'm on it."

We told you before the election that Don Jr. was emerging as an inside power player, but we wonder if his father likes this boasting that the kid is telling Dad what to do.

It isn't clear where the President-elect will come out on all of this, and the cabinet choices he does make will tell us more. But the ban on Mr. Pompeo, who would have made a fine Defense secretary, and Arkansas defense hawk Tom Cotton's declaration that he wants to remain in the Senate aren't favorable signs for Trump foreign policy.

Expect much more of this intrigue since Mr. Trump can't run for re-election, and the maneuvering to succeed him will be intense and sometimes disruptive. Many presidential decisions will be made with a calculation that includes Don Jr. whispering in his father's ear.

Managing much of this will be new chief of staff Susie Wiles, who looks like a strong choice. She ran Mr. Trump's campaign with notable discipline, and the President-elect appears to respect her judgment. He'll need a strong independent voice as supplicants and sons compete for positions and influence—and to make JD Vance his successor.

Don Jr. and allies veto a duo who might compete with JD Vance.

Democrats for Election Denial

The Associated Press and most other media have called the Senate race in Pennsylvania for Republican Dave McCormick. But never fear, Democrats, lawyer Marc Elias is on the case trying to steal the seat for incumbent Democrat Bob Casey. Did someone say "election denial"?

Mr. Casey has refused to concede despite trailing by some 40,000 votes as we write this, and Mr. Elias has declared on X that the race isn't over. The specialist who excavates controversial ballots for Democrats is at it again.

As we write this midday Sunday, the state still has some 87,000 provisional ballots to count. Provisional means the ballots are in question for one legal reason or another, such as not following proper mail-ballot procedure or perhaps a question about voter registration. Mr. Casey is claiming this means he could still overcome Mr. McCormick's lead.

That's highly unlikely. About 30,000 provisional ballots are outstanding from Philadelphia and Allegheny County, both Casey strongholds. The others come from the rest of the state, where Mr. McCormick did better. Mr. Casey has won the 7,700 or so provisional ballots counted so far by about 54%-46%. If that margin prevails for the rest of the provisional counting, there's no way Mr. Casey can win.

Mr. McCormick's margin could nonetheless fall below 0.5%, which would trigger an automatic recount under state law. His margin as of Sunday midday was slightly above that. That

Marc Elias is back and trying to steal a Senate seat in Pennsylvania.

would give Mr. Elias a chance to try his legal shenanigans, which are likely to run the gamut from challenging votes for Mr. McCormick to searching for heretofore undiscovered ballots for Mr. Casey.

Mr. Elias helped to steal a Senate seat in Minnesota for Al Franken in 2008 by finding a judge to count previously rejected ballots and overturn the lead of Republican Norm Coleman.

The Elias method is to look for friendly judges who will rule in his favor. Pennsylvania has a Republican secretary of state who supervises elections but an especially partisan elected Democratic majority on the state Supreme Court. So far Gov. Josh Shapiro and other officials aren't commenting on Mr. Elias.

Mr. Casey could spare the costs of a recount he has no fair chance to win by conceding defeat. That's what Mr. McCormick did after it became clear after a recount was triggered that he couldn't win his 2022 GOP primary race against Mehmet Oz. Mr. McCormick trailed in that race by 972 votes, 40 times fewer than Mr. Casey trails by now.

Watch this week to see if Chuck Schumer, the Senate Majority Leader, bars Mr. McCormick from attending bipartisan orientation sessions for new Senators. That would show he's on board for Mr. Elias's election steal attempt. If he bars Mr. McCormick, we assume Republicans will call him out for his election denialism. We also await the outraged editorials denouncing this threat to democracy.

How the Supreme Court Helped Democrats

Democrats took a pounding last week, but it could have been worse. The party was spared from an even bigger rout by their huge advantage in campaign spending, and for that they can thank their billionaire donors—and the Supreme Court they love to hate.

Kamala Harris raised more than \$1 billion and spent more than \$900 million, while the Trump campaign raised around \$380 million and spent more than \$350 million. In swing states Democrats had the edge in campaign spending across the board.

The margin was closest in Pennsylvania, where Democrats spent \$109 million to Republicans' \$102 million. In Michigan Democrats spent \$81 million to Republicans' \$18 million. In Wisconsin it was \$49 million to \$15 million, according to AdImpact. Mr. Trump won those states, but more narrowly than his advantage on the issues and the national turn to the right suggest he might have.

So-called independent expenditures outside the campaigns also broke records. Independent spending in all 2024 federal races was some \$4.5 billion and flowed through Super PACs allied with campaign operations, according to OpenSecrets. The Super PACs in turn were often funded by 501(c)4s and other nonprofit groups, the "dark money" bogeymen of Sen. Sheldon Whitehouse's nightmares. In key Senate races in Wisconsin, Michigan, Pennsylvania, Montana, Arizona and others, independent spending by both sides ran into the tens of millions.

Looking at all federal campaign spending, Democrats beat out Republicans with some \$4.5 billion in political ads compared with the GOP's \$3.5 billion. That included ad spending for presi-

dential, congressional and down-ballot races including campaigns and independent spending. Democratic independent groups spent \$2.4 billion while Republican independent groups spent \$2.2 billion, according to AdImpact.

The great irony is that none of this would have been possible without Supreme Court decisions that have opened the door to more money in elections. *McConnell v. FEC* in 2003 cracked open the door by allowing political parties to coordinate with candidates and make unlimited independent expenditures. *Citizens United v. FEC* in 2010 allowed corporations and unions to spend money in elections. The D.C. Circuit's decision in *SpeechNow v. FEC* in 2010 unleashed independent spending by Super PACs.

The Court ruled that the First Amendment protects political speech, and spending on campaigns is a form of speech. If not for these rulings, which Democrats denounce every other day, Republicans would have bigger majorities in Congress. Funny how you don't hear cries for "campaign finance reform" this year.

What other gifts might the current Supreme Court majority bestow upon Democrats? With Mr. Trump coming back to the White House, the left may learn to love the major questions doctrine, which requires clear direction from Congress on consequential regulations from the executive branch. Democrats raged against that ruling and the Supreme Court's 6-2 decision striking down Chevron deference in *Loper Bright Enterprises v. Raimondo*, which will also restrain Mr. Trump's regulators.

Democrats will never admit it, but the Bush-Trump Justices will spare them from even greater political defeats.

LETTERS TO THE EDITOR

Don't Punish Ukraine for Biden Family Sins

In "The Finger Will Point at Biden" (Business World, Nov. 7), Holman Jenkins, Jr. rather succinctly delineates the worldview of American voters who are skeptical of the case for U.S. assistance to Ukraine. "In 2020 Democrats put forward a candidate and later president who evinced a demonstrable family corruption problem related to Ukraine," he writes. "They got him elected after the CIA lied and blamed the problem on Russia. Now, when voters hear the words Russia and Ukraine, they wonder if Democratic corruption had a role in landing us in the middle of a war between the two countries."

The continued presence of Ukraine in American politics is indeed hard to explain to those who don't follow the minutia of Eastern European politics. We have been dealing with that skepticism for a long time. I, personally, detest the frivolous and unscrupulous Hunter Biden. He is not a gentleman. I deeply wish that he had never taken on the conflict-of-interest sinecure with Mykola Zlochevsky's Burisma that led to Ukraine becoming embroiled in American domestic politics.

I empathize with those Americans who don't care for the spectacle of the drug-addled son of a sitting U.S. president prancing and capering around the world while accepting millions of dollars in sweetheart deals. Yet Mr. Biden the younger accepting money from Mr. Zlochevsky—who is a former minister in the pro-Russian Yanukovich government that

was rejected by Ukrainian society during the Maidan revolution—has nothing to do with the unprovoked and barbaric Russian invasion.

Ukraine is now fighting a defensive war for its life and its chosen pro-American and Western path. Neither President Volodymyr Zelensky nor his predecessor, Petro Poroshenko, had anything to do with this unfortunate grift. The American intelligence officials who published the pre-2020-election letter describing the contents of the Hunter Biden laptop as "disinformation" should be ashamed of themselves. They wrought as much damage to the standards of truth, general respect for elites and institutional expertise and the reputation of the land of my ancestors as Hunter Biden did.

The Biden dynasty is now leaving the stage of American politics. As the Trump administration prepares to take over, I want to plead to it and to those voters who don't know and love Ukraine as I do: Ukraine's future shouldn't be held liable for the unseemly acts of irresponsible men. Ukraine shouldn't be a partisan issue in America—and fidelity to supporting a democratic ally in Europe against existential aggression shouldn't be a marker of Democratic Party affiliation. Ukraine is both modern and a bastion of lightly held traditional values.

VLADISLAV DAVIDZON
The Atlantic Council
New York

Harris's Mistake: Believing in Her Own Hype

I have never seen a more compelling example of how out of touch the mainstream media is with the pulse and soul of America than in your compendium of quotations about the election results from left-of-center commentators ("Notable & Quotable: Fingers on the Pulse," Nov. 7). They are classic examples of what happens when smart and self-righteous people breathe their own exhaust.

DENNY OLMSTED
Napa, Calif.

As I read the comments about the election from various members of the mainstream media, especially their shock at the big win by Donald Trump, I couldn't help but wonder if Vice President Kamala Harris's team (formerly President Biden's team) was similarly surprised by the outcome. If it was, had the campaign been misled because it had believed what the media had been telling it about the campaign? In other words, was this the "Taranto Principle" in action?

In 2004 the Swift Boat Veterans for Truth, the original "Swifties," tried to tell the public about John Kerry's 1971 allegations to the Senate Foreign Relations Committee that American soldiers and sailors had routinely committed war crimes and

other atrocities in Vietnam. But the mainstream media ignored them and the issue. The WSJ's James Taranto hypothesized that the Kerry campaign was misled by the media into thinking that it, too, could ignore the issue. By the time the Kerry campaign realized it couldn't, it was too late.

I wonder if the Harris campaign believed, and relied on, the mainstream media when it said the election was a toss-up and that Ms. Harris was even starting to pull ahead at the end. If so, the Taranto Principle may have claimed another victim.

PATRICK J. ALLEN
River Forest, Ill.

On Sept. 30, the New York Times editorial board stated that Ms. Harris was "the only patriotic choice for president." Does this mean that the Times now believes more than half the U.S. electorate is unpatriotic?

BARRY A. ABBOTT
Bellevue, Wash.

You give the selection of media reactions to the election the ironic headline "Fingers on the Pulse." Ultimately, there was no introspection in the Democratic Party, and for the moment there is no pulse.

DAVID NEWFIELD
Studio City, Calif.

After Prison Comes Big Child-Support Debt

In his fine article, Howard Husock emphasizes that high child-support debts block many black men from working ("The Black Men's Burden Harris Ignores," op-ed, Oct. 30). Child-support rules allow the holding of an offender's child-support debt constant while the offender is in prison and therefore unable to work, and states should be required to allow this.

Once offenders leave prison, they should be required to work in legal jobs, with the arrearages that they owe each month limited to what they can pay. Those unable to find employment should be assigned jobs arranged by government at the minimum wage, plus enough to reduce arrearages and pay their current child-support judgment.

They would then be helping sup-

port the families they have left, and thus have more of a chance to be reconciled with their spouses. What offenders really need isn't more punishment but more help, plus clearer work requirements. Call it welfare reform for men.

PROF. LAWRENCE MEAD
New York University
New York

Israel Ignores the Blatherers

Israel learned this in its infancy ("Investigate the ICC Before it Escalates," Review & Outlook, Nov. 2): Sticks and stones (missiles and drones) can break my bones, but words (from the U.N., International Criminal Court or Kamala Harris herds) can never hurt me. Let them blather. Israel will do what it must to ensure its survival.

JOHN FORTUGNO
Olympia, Wash.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Success is a rigorous cycle of planning, follow through and who you know."

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OPINION

Why Iran May Dash for the Bomb

By Reuel Marc Gerecht And Ray Takeyh

Among the many challenges facing the incoming Trump administration is an Iran on the edge of nuclear arms. The mullahs have used the Biden years well, filling their coffers and advancing their atomic project. Much has changed in the Middle East since Oct. 7, 2023, and Israel has been more daring in taking on its enemies. But a mid-dling power can do only so much, particularly when constantly badgered by a procession of Democratic Party luminaries.

Among the regional changes is how the mullahs conceive of their war against Israel. The Iranian theocracy now knows that its proxy strategy is flawed, that its conventional ballistic missiles lack accuracy and punch, and that the Jewish state can bomb anything inside Iran, with the possible exception of the clerical regime's deeply buried uranium-enrichment plants.

Regime voices are pushing for it, and panic over Trump may offer a new impetus for action.

At least one aspect, however, has remained constant. In its raid on Iran last month, Israel didn't attack the greatest threat: Iran's nuclear-weapons sites. Nor did it strike what would cause the most immediate, regime-shaking pain, the Kharg Island oil facility, through which about 90% of the Islamic Republic's oil exports are shipped. Israel again showed its discomfort with escalating against Iran. That is likely owing in part to the Biden administration's prodding for restraint, but also to Israeli fear that their fighter-bombers could fail against the Fordow uranium-enrichment site, which is buried beneath a mountain.

The Israeli government hopes the air force's strikes inside Iran will induce more nuclear hesitation—that



A state-sanctioned rally in Tehran, Oct. 8.

the regime won't enrich uranium to bomb grade and assemble an atomic trigger. Israelis may be praying that Mr. Trump will relieve Jerusalem of the task of bombing Iran's nuclear facilities or at least support Israel if it tried to do so. Given the nature of the threat, and how close the regime is to the bomb, time may no longer be on Israel's side.

For the first time, important Iranian constituencies are publicly calling for the state to build nuclear weapons. On Oct. 2, Javan, a newspaper that is mouthpiece of the Revolutionary Guards, stressed that given the Israeli use of "devastating military technology to establish a new order . . . one immediate option is a shift in Iran's nuclear doctrine." It added that "while Iran's nuclear doctrine over the past 50 years (including the Pahlavi era) has been focused on the peaceful use of nuclear technology, today, Tehran has the capacity, context and opportunity for an immediate transformation of this program." A week later, 39 parliamentarians appealed to the Supreme National Security Council to change Iran's defense doctrine. A chorus of Iranian VIPs have since come out in favor of developing the A-bomb to check Israel and the U.S.

Supreme Leader Ali Khamenei not so subtly nodded to his protégés. As his webpage describes, he

remarked that "certain individuals, through a misguided analysis and perception, imagine that refraining from producing tools that could provoke the Arrogant Powers, such as missiles, can bring security for Iran." The cleric wasn't speaking only about missiles. No Western power—including the U.S., in the 2015 nuclear deal—has ever tried to oblige the Islamic Republic to forgo its missilery.

Jerusalem's assessment of Iran's nuclear threat, and of whatever military actions need to be taken against it, is increasingly intelligence-based. Israeli leaders posit that the air force doesn't need to act until the Iranians are enriching uranium to 90% and are assembling a nuclear initiator. This is similar to what the Obama administration argued when it advanced its nuclear deal: The U.S. didn't need to worry about secret sites, undeclared weaponization research, centrifuge parts and dual-use stockpiles because the Central Intelligence Agency and United Nations' International Atomic Energy Agency inspectors would catch the Iranians cheating. Senior Biden administration officials suggest the same today.

In practice, however, Washington has never known when its enemies were dashing to the bomb, let alone initiated a military plan to stop them. Perhaps the Israelis will do

better. Perhaps they have multiple intelligence sources inside the nuclear program who can alert them. In private, senior Israeli and American officials haven't given the impression that Israel's intelligence network inside Iran is that good.

So far Israeli intelligence has been good enough to wound and embarrass the Iranian theocracy. If Jerusalem is serious about holding the clerical regime responsible for its proxies, the air force will bomb Iran routinely unless Tehran orders Hezbollah to cease its attacks on northern Israel. How many times could Jerusalem strike nonnuclear targets in Iran before the clerical regime "dashed" to the bomb in order to stop the Zionists from attacking?

A purge of the Islamic Republic's security services may be in the works. That, along with intensified surveillance of those who have access to the nuclear program, would allow the clerical regime to feel more secure if it decides that building a bomb is an urgent priority. Fear of leaks has likely been one of the reasons Mr. Khamenei has been cautious about completing the project that he's advanced for 30 years against enormous outside pressure.

As always, America remains the wild card in Mr. Khamenei's calculations. The American political class doesn't seem keen on patrolling or disciplining an unruly Mideast—but the U.S. remains a superpower capable of damaging if not derailing the bomb project if it chose to. Mr. Trump's most consequential accomplishment was killing Iran's dark lord, Gen. Qassem Soleimani, which spooked the regime. The new president's unpredictability could slow down the regime's nuclear aspirations. But the fear of the impending Trump administration could cause the mullahs to dash to the bomb, hoping that American and Israeli intelligence will fail to detect their move.

Mr. Gerecht, a former CIA Iran-targets officer, is a resident scholar at the Foundation for Defense of Democracies. Mr. Takeyh is a senior fellow at the Council on Foreign Relations.

Markets Hail Trump's Economics

By Scott Bessent

Twenty-three Nobel laureates in economics warned two weeks ago that Donald Trump's economic agenda would be disastrous for the U.S. Immediately after Mr. Trump's landslide victory, financial markets showed they vehemently disagree. Let's hope none of the Nobel laureates adjusted their retirement portfolios; otherwise their 401(k)s may be suffering as badly as their reputations.

Asset prices are fickle, and long-term economic performance is the ultimate measuring stick. But recent days prove markets' unambiguous embrace of the Trump 2.0 economic vision. Markets are signaling expectations of higher growth, lower volatility and inflation, and a revitalized economy for all Americans.

Mr. Trump's election drove the largest single-day increase in the U.S. dollar in more than two years, and third largest in the last decade. This

He'll repair the Biden damage, and his pro-growth agenda will drive private investment.

is a vote of confidence in U.S. leadership internationally and in the dollar as the world's reserve currency. The Russell 2000, an index of small-capitalization stocks, also rose by the most in two years due to investor expectations that the Trump economy will disproportionately benefit smaller businesses. An exchange-traded fund that tracks the Russell 2000 index saw its largest single-day inflow in 17 years.

The rally in equities was particularly unusual given that interest rates also moved higher. The combination of the steepening yield curve, stable inflation expectations and the rise in stocks indicates that markets expect the Trump agenda to foster noninflationary growth that will drive private investment. Even amid the expected pro-growth agenda and the associated increased demand for energy, the price of oil fell. Energy stocks rallied at the same time, signaling expectations of more energy production and geopolitical stability.

While markets expect a reinvigorated American economy, the Biden administration's mismanagement has created serious challenges that Mr. Trump will need to overcome. Economic growth has been propped up by the out-of-control federal deficit, which hit 7% of gross domestic product last year. Mr. Trump has a mandate to reprivatize the U.S. economy through deregulation and tax reform to spur the supply-side growth that he delivered in his first term. That will be essential to restarting the American growth engine, reducing inflationary pressures, and addressing the debt burden from four years of reckless spending.

The U.S. economy also faces the consequences of the Biden administration's distortion of capital allocation. U.S. competitiveness has been weakened by destructive energy policies and the channeling of investment toward a quixotic energy transition and semiconductor fabrication plants subject to government mandates that render them uneconomic. Mr. Trump will deliver a renaissance in American energy investment and ensure that trade is free and fair, supporting long-term U.S. competitiveness.

Allowing the private sector rather than the government to allocate capital is crucial to growth. The U.S. must reform the Inflation Reduction Act's distortionary incentives that encourage unproductive investment, which has to be sustained by a lifetime of subsidies. Overhauling the regulatory and supervisory environment will encourage more lending and reinvigorate banks.

Mr. Trump must also address government borrowing. U.S. interest expense exceeds the defense budget. Treasury Secretary Janet Yellen has distorted Treasury markets by borrowing more than \$1 trillion in more-expensive shorter-term debt compared with historical norms. Terming out that debt in favor of a more orthodox borrowing profile may increase longer-term interest rates and will need to be deftly handled. The only way to return to a prudent borrowing strategy without upsetting financial markets is restoring investors' faith in the economy and preserving the dollar's global role.

The failure of Bidenomics is clear. But Mr. Trump has turned around the economy before, and he is ready to do so again. Twenty-three Nobel laureates might not understand this, but the financial markets have clearly spoken.

Mr. Bessent is founder, CEO and chief investment officer of Key Square Group.

What Donald Trump Can Learn From Steve Jobs



LIFE SCIENCE By Allysia Finley

A mercurial and brash narcissist with a propensity to bend the truth. That's how people close to Apple co-founder Steve Jobs (1955-2011) described him. Such foibles contributed to his ouster from the company in 1985 amid a power struggle with its board. But 12 years later, after Apple had lost its way, Jobs returned to serve as CEO and led the company to its best days. His comeback and successes offer lessons for Donald Trump.

Like the president-elect, Jobs adhered to crazy ideas. During his 20s, according to a 2011 biography by Walter Isaacson, he "clung to the belief that his fruit-heavy vegetarian diet would prevent not just mucus but also body odor, even if he didn't use deodorant or shower regularly." Jobs's colleagues described his propensity to ignore and twist the truth to his own ends as a "reality distortion field." "He would assert something—be it a fact about world history or a recounting of who suggested an idea at a meeting—without even considering the truth," Mr. Isaacson writes.

A more egregious example: Jobs denied being the father of his daughter Lisa for many years. "He can deceive himself," former Apple engineer Bill Atkinson told Mr. Isaacson. "It allowed him to con people into believing his vision, because he has personally embraced and internalized it."

On the other hand, Jobs "also indulged in being brutally honest at times, telling the truths that most of us sugarcoat or suppress. Both the dissembling and the truth-telling were simply different aspects of his Nietzschean attitude that ordi-

nary rules didn't apply to him," Mr. Isaacson writes. "He had the sense that he was special, a chosen one, an enlightened one."

Like Mr. Trump, Jobs was a jerk who rejected social conventions. He lambasted colleagues at meetings with colorful epithets, which spurred many to leave during his first stint at the company. In his view, you were either "enlightened" if he agreed with you or "an a—h—" if he didn't. His classifications would frequently change.

The tech titan evidently had no mental filter. "It was as if Jobs's brain circuits were missing a device that would modulate the extreme spikes of impulsive opinions that popped into his mind," Mr. Isaacson explains. Former Apple engineer Andy Hertzfeld recounts in Mr. Isaacson's book that "after a few cycles of him taking alternating extreme positions," people learned to "filter his signals and not react to the extremes."

"Just because he tells you that something is awful or great, it doesn't necessarily mean he'll feel that way tomorrow," software designer Bud Tribble told Mr. Isaacson. But Jobs could also be charming. "He applied charm or public humiliation in a way that in most cases proved to be pretty effective," Mr. Tribble added. He used insincere flattery to manipulate people.

"Jobs could be charming to people he hated just as easily as he could be insulting to people he liked," Mr. Isaacson writes. All this made him difficult to work with and lead to his ouster. But as Jobs reflected in a 2005 Stanford commencement address, "it turned out that getting fired from Apple was the best thing that could have ever happened to me." It humbled and liberated him to pursue fresh ideas.

When he returned as CEO in 1997 after Apple acquired his startup, NeXT, he tempered his

abrasive management style and used his reality distortion field to motivate workers to accomplish what had seemed impossible. This is what Mr. Trump will need to do if he wants to have a successful second term. Other lessons he can learn from Jobs's example include the following:

Simplicity and quality, irrespective of marketing, are the keys to advancing a prosperous enterprise.

• Simple is best. Jobs aimed to design simple, user-friendly products. This should be the goal of Mr. Trump's tax and regulatory policies. Tax breaks for special groups are complex and inefficient. So are tariffs, which invariably result in exemptions for certain businesses and products. A better way to increase U.S. manufacturing is to cut government bureaucracy. Jobs said that one reason Apple manufactures products in China is that America

imposes costly and cumbersome regulation.

• Quality is king. Jobs believed that the best way to win customers and build a durable business is to build great products. Similarly, if Mr. Trump wants to solidify a durable, diverse GOP coalition, he'll have to advance policies that generate widespread prosperity, such as lower taxes.

• Don't let polls dictate the policy agenda. "People don't know what they want until you show it to them. That's why I never rely on market research," Jobs explained to Mr. Isaacson. Mr. Trump's campaign sops—from higher tariffs on Chinese goods to exempting Social Security benefits and tips from taxes—may poll well, but they won't generate rising real incomes Americans are hankering for.

Mr. Trump has an opportunity to expand support among minorities for small-government policies by showing how they make everyone better off. It's something he may be uniquely suited to do with his Jobs-like charisma. To accomplish it, he'll need to follow another Jobs slogan: Think different.

Israeli Rescuers Are an Example for the West

By Rebecca Sugar

Images of Israeli soccer fans being beaten in the streets of Amsterdam fill the social-media feeds of those who want the world to see what unchecked antisemitism in the West looks like in 2024. They are often juxtaposed with photos from the 1930s, when Jews were also assaulted with impunity in European capitals. It is a powerful emotional association to make but not the right message to amplify.

We should pay more attention to another image from Thursday's attack: that of two Israeli planes taking off from Tel Aviv's Ben Gurion Airport to rescue the Jews whose safety couldn't be guaranteed in the Netherlands. What's more important isn't the attack against the Jews but the Jewish response to it.

Jews have always been targeted, but 76 years ago, when the state of Israel was established, they stopped being defenseless. Today, when they are in trouble, someone comes to their aid. That didn't happen in the 1930s.

No longer history's reliably powerless punching bags, the Jewish people have liberated themselves from centuries of impotence. They

should proudly embrace that reality and project it to the world by posting more pictures of the Israeli rescue planes than of Israelis in need of rescue.

Dutchmen need to see pictures of the planes as well. They live in a country that has already abandoned them, allowing hundreds of thousands of Muslims from North Africa and the Middle East to create parallel, radicalized societies, and commit aggression against the state and its citizens. Jews aren't the only infidels. Can the people trust such a government to come to their defense when the next mob attacks bystanders at a Christmas parade? Seeing what it looks like when a country protects its population might inspire the Dutch to demand that their leaders take care of them too.

The entire Western world needs to see Israel's shown of strength. French, Germans, Americans, Australians—they don't need to see more pictures of Jews lying in the streets. They need to see them soaring through the air. Maybe the sight will inspire them to a little self-preservation of their own.

Ms. Sugar is a columnist for the New York Sun.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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Rupert Murdoch Chairman Emeritus, News Corp

Robert Thomson Chief Executive Officer, News Corp

Emma Tucker Editor in Chief

Almar Latour Chief Executive Officer and Publisher

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New Clint Eastwood Film ‘Vanishes’

‘Juror #2’ could be the last—and yet you’d never know it from muted release

By JOE FLINT AND JOHN JURGENSEN

At first, it seemed like Clint Eastwood would be getting the full Hollywood treatment for what could be his final film.

“Juror #2,” his 40th film as a director, had a glitzy world premiere last month at the famed TCL Chinese Theatre in Hollywood. It was part of a film festival that had unveiled several other Eastwood films, including his Oscar-winning box-office hit “American Sniper.”

Eastwood, 94 years old, didn’t attend the premiere. On the red carpet, “Juror #2” star Toni Collette extolled the launch of an “old school” courtroom drama, saying, “In this day and age, films like this are not made.”

But many people might not realize the film was made. After that night, “Juror #2” essentially vanished from the spotlight. Warner Bros., the studio that backed the film—along with just about every other Eastwood-produced movie since the mid-1970s—put it in a handful of theaters starting Nov. 1 with virtually no marketing other than an internet trailer.

Breaking with standard practice for movie distributors, Warner Bros. didn’t re-



Director Clint Eastwood and actress Toni Collette behind the scenes during production for ‘Juror #2.’

port box-office receipts for “Juror #2,” suggesting the studio didn’t want to be judged on box-office returns for a film it wasn’t promoting.

Now Warner Bros. is saying that it planned all along to release “Juror #2” on its Max streaming service and that the limited theatrical release was a gesture of respect for Eastwood’s legacy and long relationship with the studio.

But when news of the East-

wood project came out in mid-2023, there was no mention of it being intended for Max. When The Wall Street Journal inquired last summer about a release date for “Juror #2,” which had wrapped production at the end of 2023, Max wasn’t mentioned either. Furthermore, Max didn’t promote that it had a Clint Eastwood movie when it made a major presentation to advertisers last spring.

The decision to make it a streaming movie rather than a full theatrical release also contradicts statements from Warner Bros. Discovery’s own chief executive, David Zaslav. One of the first things he did after taking the helm of the company was declare that it would no longer make movies specifically for Max, undoing a strategy of the previous regime that he felt didn’t make financial sense.

The hushed release of a Hollywood legend’s potential swan-song creation is the latest sign of how the world of cinema has been upended by shifting corporate strategies and the question of what kind of film can draw moviegoers to the cineplex. A casualty of that is the relationship between studios and talent, with filmmakers having less say in how their art is released.

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Bond Market Is In Focus Following Election

By SAM GOLDFARB

Stocks notched their biggest week of the year after Donald Trump’s election victory. Now it is the bond market that investors are watching.

Treasury yields, which rise when bond prices fall, climbed after Tuesday’s election, lifted by bets that a second round of Trump tax cuts will boost growth, inflation and budget deficits. Stocks and Treasury yields similarly surged eight years ago when Trump claimed his first electoral win—a major part of what investors called the “reflation trade.”

But inflation, deficits and interest rates are all much higher now than they were then.

Some fear a sustained rise in yields could disrupt stock gains, further pressure the housing market and slow the economy.

“It’s a lot more complicated,” said Thanos Bardas, global co-head of investment-grade fixed income at Neuberger Berman. “The starting point is very different [between] Trump 1.0 and Trump 2.0.”

The yield on the 10-year U.S. Treasury note, a key benchmark for borrowing costs across the economy, settled Friday at around 4.3%. It was 3.6% in September.

Making matters more difficult for investors, fiscal policy is just one part of Trump’s agenda that could shift the economy.

The president-elect has also put forward ambitious, if ill-defined, plans to introduce broad-based tariffs, impose stricter immigration controls and carry out mass deportations of people who entered the country illegally.

Both tariffs and deportations could spur inflation, pushing yields higher, many economists say. They also could slow growth, dragging yields lower.

In the case of tariffs, many businesses and economists agree that higher levies on imported goods would be passed on to consumers. Inflation would likely rise, at least in the short term. But consumers also could balk at the higher prices and cut back on their spending.

Deportations, meanwhile, could force businesses to increase wages to lure new workers, and then raise prices. Employers also could

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Amazon Steps Up Grocery Delivery

By LIZ YOUNG

Amazon.com is testing new grocery formats that blend its broad assortment of online goods with in-person shopping, as the nation’s largest e-commerce retailer strains to expand its role in a market dominated by grocery giants with sprawling store networks.

Amazon’s new designs aim to pull together various fulfillment networks for its Whole Foods Market premium grocery business and its mass-market Amazon Fresh stores into a common delivery platform, giving the grocery businesses greater scale with online customers as rivals including Walmart, Target and Kroger invest more in using their larger numbers of stores as distribution hubs.

The company’s goal is to create one-stop shopping for products ranging from organic produce to Tide detergent and Cheez-It crackers and eliminate the need for shoppers to visit multiple stores.

The plan represents the company’s latest attempts and shifting strategies to expand its reach in a U.S. grocery market estimated at about \$1.5 trillion in annual sales, according to Coresight Research. Amazon acquired Whole Foods Market with its hundreds of stores in 2017 for \$13.7 billion, and in 2020 launched Amazon Fresh, which has 60 locations in the U.S.

Amazon has struggled to find its footing in a grocery market dominated by the physical retail giants that each have massive store footprints, said David Bishop, partner at grocery research firm Brick Meets Click.

“They haven’t demonstrated a track record of success in the physical world,” Bishop said. “That physical presence is so important” with grocery items, he said, because shoppers are used to choosing their own meat and produce for freshness.

Walmart, the country’s largest grocer, has about 4,600 stores across the U.S., with locations within 10 miles of 90%

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Online-Education Giant Chegg Strains to Survive Amid Rise of AI

By MILES KRUPPA

While many companies are figuring out how artificial intelligence will change the way they do business, Chegg is trying to avoid becoming its first major victim.

The online-education company was for many years the go-to source for students who wanted help with their homework, or a potential tool for plagiarism. The shift to virtual learning during the pandemic sent subscriptions and its stock price to record highs.

Then came ChatGPT. Suddenly students had a free alternative to the answers Chegg spent years developing with thousands of contractors in India. Instead of “Chegging” the solution, they began canceling their subscriptions and plugging questions into chatbots.

Since ChatGPT’s launch, Chegg has lost more than half a million subscribers who pay up

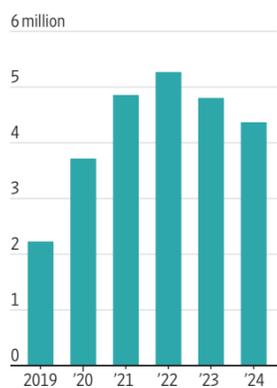
Chegg’s share price, past five years



*In the second quarter of each year
Sources: FactSet (share price); the company (subscribers)

to \$19.95 a month for prewritten answers to textbook questions and on-demand help from experts. Its stock is down 99% from early 2021, erasing some \$14.5 billion of market value. Bond traders have doubts the

Subscriber count*



company will continue bringing in enough cash to pay its debts.

Though Chegg built its own AI products, the company is struggling to convince customers and investors it has value in a market upended by ChatGPT.

“It’s free, it’s instant, and you don’t really have to worry if the problem is there or not,” Jonah Tang, an M.B.A. candidate at Point Loma Nazarene University in San Diego, said of the advantages of using ChatGPT for homework help over Chegg.

A survey of college students by investment bank Needham found 30% intended to use Chegg this semester, down from 38% in the spring, and 62% planned to use ChatGPT, up from 43%. “My concern is that the headwinds to Chegg’s top-line aren’t temporary—they’re more structural in nature,” said Needham analyst Ryan MacDonald.

Dan Rosensweig, Chegg’s CEO of more than a decade, stepped down in June after the stock cratered under his leadership. Chegg said Rosensweig notified the board he planned to retire a year in advance. Company veteran Nathan Schultz

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Meatpacking Revamp Yields Lean Results

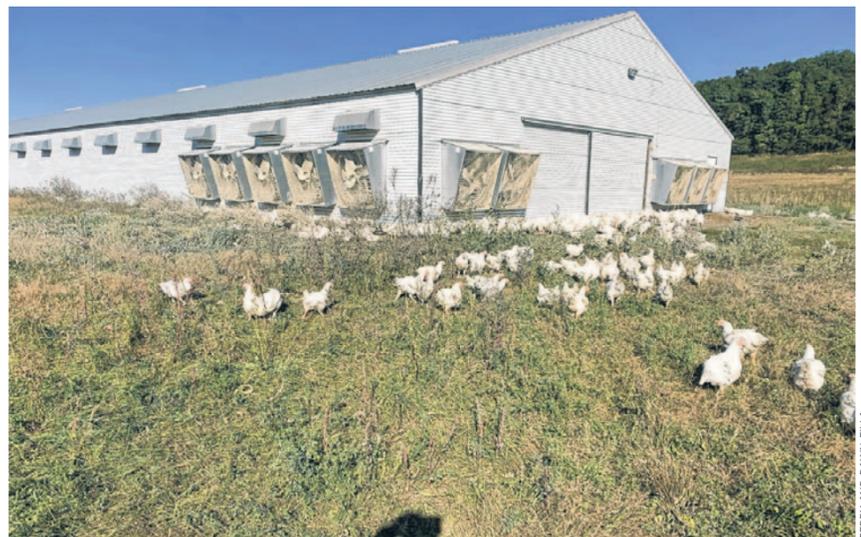
By PATRICK THOMAS

With 1.3 million chickens starving across northern Iowa, state agriculture officials needed to decide what to do.

The chickens’ owner, Pure Prairie Poultry, had declared bankruptcy in late September and said it could no longer afford to feed the birds. Eventually, state officials decided to euthanize them.

Minnesota-based Pure Prairie launched in 2019 aspiring to market premium air-chilled chicken to Midwestern supermarkets. The Biden administration and U.S. Agriculture Department had loftier ambitions: Pure Prairie could be part of a wide effort to inject new competition into meatpacking, an industry whose annual revenue exceeds \$200 billion and is dominated by a handful of huge companies. Roughly 85% of U.S. beef processing, for example, is controlled by Tyson Foods, JBS, Cargill and National Beef.

Three years later, some recipients of government grants or loan guarantees under the initiative have yet to break



Pure Prairie Poultry’s bankruptcy left Terry and Dawn Filla’s farm with many chickens, no feed.

ground on new facilities. Meat-industry executives say the projects that are running haven’t gained any noticeable market share so far.

Agriculture Secretary Tom Vilsack and funding recipients defended the initiative, saying its success can’t be judged on

the basis of one company and that more time is needed to gauge its impact. Some grantees were infused with government cash only months ago.

“We’re doing what farmers are asking us to do, which is create more opportunity,” Vilsack said in an interview. The

investments are intended to “stem the tide and the loss of small farming operations that we’ve suffered through for the last 40 years in this country.”

The Biden administration in 2021 unveiled an initiative to kick-start smaller meat-

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Dresselhuys, Eric.....R3	Lauder, William.....A1	Smith, Kristin.....A2
Dussex, Dusten.....A14	Lore, Marc.....B4	Stein, Tristan.....A13
	M-R	Tentinger, Chad.....B2
F-H	Marconi, Joe.....A14	Tolliver, Jason.....B5
Farb, Daniel.....R6	Marcus, Tobin.....A13	V-Z
Filla, Dawn.....B2	Marsh, Andy.....B8	Vilsack, Tom.....B1
Garlinghouse, Brad.....A1	McIntosh, Devon.....R6	Wolfram, Catherine.....B8
Gautsch, Adam.....B4	Myers, Aaron.....A14	Zaslav, David.....B1
Goldstein, Judy.....A14	Naig, Mike.....B2	Zimmerman, Lance.....B2
Haar, Wesley ter.....B3	Nann, Thomas.....R3	Zipse, Oliver.....B9
Hahnfeld, Marty.....B4		

BUSINESS & FINANCE

Focus Shifts To Bond Market

Continued from page B1
respond by cutting back on production.

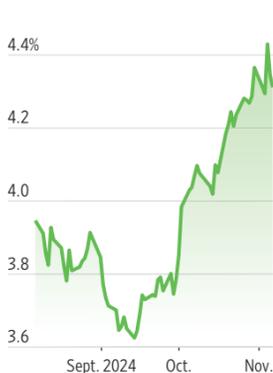
"It all kind of depends on the scale and scope of tariffs and immigration," said Ed Al-Hussainy, senior interest-rates and currency analyst at Columbia Threadneedle.

His own view is that both policies could lead to slower economic growth by the end of next year, providing a reason to buy Treasuries at current yields.

Yet even if Trump's trade and immigration policies curb growth, they also will make investors more worried about inflation, said Leah Traub, a portfolio manager at Lord Abbett.

That could cause longer-term yields to rise even if short-term yields tick downward, an unusual move known as a "steepening twist."

10-year U.S. Treasury yield



Sources: Tradeweb FTSE closes (yield); Commerce Department via Federal Reserve Bank of St. Louis (price index)

Core PCE price index, change from a year earlier



The expected economic impact of Trump's fiscal policies is more straightforward. But investors still have questions about how much he will cut taxes and how much those tax cuts will be offset by spending reductions.

After last week's elections, Republicans are poised to hold a governing trifecta that should make it relatively easy to pass legislation that affects revenue and spending levels.

The Committee for a Responsible Federal Budget, a nonpartisan group that favors

benefits, overtime pay and tip income.

Given that the federal budget deficit is already running close to \$2 trillion annually, some on Wall Street have questioned how much the government can further increase its borrowing without exhausting the demand of investors and spurring a major bond selloff.

Among those worried about the bond market is Vice President-elect JD Vance.

In an interview days before the election, Vance said he was concerned that there could be a "bond-market death spiral" during a second Trump administration, similar to what happened in the U.K. in 2022.

Such a crisis, he said, could be caused by "international investors" trying to "take down the Trump presidency by spiking bond rates."

Many investors, though, are less alarmed.

"I don't buy as much that tweaking supply here or there sets long-term interest rates," said Michael Lorizio, a senior trader at Manulife Investment Management. "I think it's more the fundamentals of the economy."

Meat Trade Is Tough To Overhaul

Continued from page B1
packers and help prevent supply shocks such as those during the Covid-19 pandemic,

when shutdowns of meat plants backed up livestock on farms and prompted some farmers to euthanize animals.

Some industry trade groups and companies, including Tyson, panned the plan, citing a potential to increase consumer prices and unnecessarily complicate supply chains.

More than 70 companies received a piece of \$325 million in grants to boost meat supplies. The USDA also guaranteed more than \$700 million in loans for projects.

The USDA backed Pure Prairie in 2022 with a nearly \$6.9 million grant and a \$38.7 million guaranteed loan—close to the \$40 million maximum—to purchase and refurbish a processing plant in Charles City, Iowa.

Pure Prairie filed for chapter 11 bankruptcy in September, citing high costs and weak poultry prices, according to court filings. It also reported hundreds of millions of dollars in debt.

In western Wisconsin, Terry and Dawn Filla had two barns

to raise chickens for Pure Prairie; the couple borrowed more than \$300,000 to purchase one this year. They said the company owes them about \$500,000 under their contract.

The Fillas recently gave away their roughly 60,000 chickens after the birds had gone more than two weeks without feed. Representatives of Pure Prairie didn't respond to requests for comment.

The USDA said Pure Prairie is the only grantee with a delinquent loan payment to date.

"This is an incredibly unfortunate situation and raises serious questions about USDA's oversight of taxpayer dollars," Iowa Secretary of Agriculture Mike Naig said.

Lawmakers, including Sen. Chuck Grassley (R., Iowa), penned a letter in late October to Vilsack, criticizing the USDA's vetting of grant recipients.

Vilsack said the Pure Prairie plant is in an area with a significant need for chicken-processing capacity. He said that he hopes someone buys the closed plant and that USDA's funding program has already helped spur growth.

Fledgling meatpacking ventures looking to disrupt the industry need to forge supply agreements with farmers and potentially find customers for

their product. And the companies have to pay a premium to attract workers from other operations—in addition to the costs associated with launching or expanding facilities.

U.S. slaughter capacity among smaller, state-inspected butchers has increased slightly since the program launched, said Lance Zimmerman, a senior beef analyst at agriculture lender Rabobank. Overall, however, capacity hasn't changed much.

There is no guarantee that some larger projects will get built, said Zimmerman, because some commodities face difficult market conditions. As a result, it is difficult to gauge whether the Biden policy will have a significant impact.

Producer Owned Beef has said it intends to open a plant in Amarillo, Texas, that can slaughter 3,000 head of cattle a day. The project, for which the USDA awarded \$10 million, was scheduled to be finished in December but has been delayed until December 2027, city and state documents show.

Established beef processors are bracing for an extended period of losses. Over the past two years, ranchers shrank their cattle herds after years of weaker prices and drought, raising costs for meatpackers

that buy the livestock.

The industry slump is one reason Chad Tentinger, a fourth-generation cattle rancher in western Iowa, said his planned rancher-owned beef-processing plant is delayed until 2027. Tentinger, leader of the planned plant—expected to slaughter 2,000 cattle a day—was awarded \$25 million from the USDA.

"If we start building, we'd be opening into the worst part of the cycle," he said.

Tentinger said one way to prevent delays would have been for the USDA to narrow which projects got grants, enabling fewer projects to receive a larger sum of money.

"A million here and a million there to a butcher shop, that's not competition to the big guys and not going to change the industry," he said.

One new larger beef-processing project, Sustainable Beef in North Platte, Neb., is expected to start operating next spring.

It was devised by several ranching families in Nebraska in 2020 but didn't get a USDA grant after applying for one. Instead, Walmart took an ownership stake, assuring the funding for completion.

The nearly finished plant is located in a cattle hotbed between several major facilities owned by beef processors including Tyson, JBS and Cargill, and industry officials expect the new plant to immediately compete for the region's cattle.

Christmas Comes Early at Box Office



'The Best Christmas Pageant Ever' makes its debut at No. 2.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Weekend ^a Sales, in Millions	Cumulative	% Change
1. Venom: The Last Dance	Sony	\$16.2	\$114.8	-37
2. The Best Christmas Pageant Ever	Lionsgate	\$11.1	\$11.1	—
3. Heretic	A24	\$11.0	\$11.0	—
4. The Wild Robot	Universal	\$6.7	\$130.9	-11
5. Smile 2	Paramount	\$5.0	\$60.5	-26

^aFriday, Saturday and Sunday in North American theaters

Source: Comscore

Eastwood Movie 'Vanishes'

Continued from page B1

A Warner Bros. Motion Pictures Group spokeswoman declined to comment on why, if a streaming release was always the plan for "Juror #2," it was kept so hush-hush. The film will add additional theatrical markets this weekend, the studio said, as part of its limited release strategy.

As for the decision to not disclose its box-office performance, a person familiar with the matter said the company didn't feel box-office receipts were an essential component of the release plan. The studio has yet to announce a date for the film's streaming premiere.

Mr. Eastwood's longtime lawyer didn't respond to a request for comment.

Executives inside Warner Bros. say the leadership had little faith that "Juror #2" would perform at the box office, so there was reluctance to spend the tens of millions of dollars necessary to promote the film. Additionally, the studio, like many units at Warner Bros. Discovery, has been asked to cut costs, and marketing is often one of the areas targeted, making the decision to drop it on Max easier.

For some Hollywood historians, the decision to relegate to Max what is likely to be Eastwood's last film is a display of disrespect for an actor and director whose body of work has brought more than a fistful of dollars to the studio.



A scene from 'Juror #2.' Warner Bros. didn't report box-office receipts for the film.

"This is Clint Eastwood, one of the very few people who can be called iconic. When you do this to him, it sends a real message of disloyalty and lack of faith in talent," said Stephen Galloway, dean of Chapman University's film school. Galloway, who previously wrote about the movie industry for the Hollywood Reporter, added that if they couldn't give Eastwood a proper release, "then how much deeper do their financial difficulties go?"

The studio has endured a string of disappointments as of late, including the expensive flop "Joker: Folie à Deux," "Furiosa: A Mad Max Saga," and horror movies "The Watchers" and "Trap." On Warner Bros. Discovery earnings call on Nov. 7, Zaslav said the studio needed to do better, calling its performance "inconsistent."

Eastwood has had a storied history at Warner Bros. Mov-

ies Eastwood starred in or directed (or both) for Warner Bros. include Oscar winners such as "Unforgiven," "Million Dollar Baby" and "American Sniper." Known for his no-frills shoots, with just enough takes to get the performances he needs, Eastwood has a reputation for bringing his movies in on time and often under budget.

As his industry pivoted to comic-book adaptations and franchise tentpole releases, Eastwood's auteurship seemed more like a throwback. And not all his movies hit the mark.

Eastwood's last movie for Warner Bros. was the neo-western "Cry Macho," which was released simultaneously in theaters and the Max streaming service in the fall of 2021 during the pandemic. Several months later, Warner Bros.' Zaslav questioned the decision to green-light the movie, especially after studio

executives acknowledged there had been doubts about its commercial viability.

The case of the disappearing "Juror" also reflects the shaky market for the kind of films for which Eastwood is known. Serious dramas made for adult audiences are highly susceptible to the "I'll just stream it at home" effect.

In theaters this year, adult dramas are expected to generate \$1.6 billion at the worldwide box office from 38 wide-release films, according to film industry newsletter FranchiseRe. Last year, by comparison, this broad category brought in more money (\$1.9 billion worldwide) from fewer films (27), including outlier megahit "Oppenheimer."

The 2024 crop included flops by filmmakers with icon status, Francis Ford Coppola ("Megalopolis") and Kevin Costner (with the first installment of his "Horizon" series of westerns).

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BUSINESS NEWS



The operator of cable channels and streaming networks also reported a decline in profit. An AMC event in New York this year.

AMC Networks Revenue Slides As Viewership, Ad Sales Struggle

By DENNY JACOB

AMC Networks posted lower revenue in its latest quarter on weaker performance across all its business segments amid a loss of subscribers and mixed advertising demand.

The operator of cable channels and streaming networks recorded net income attributable to stockholders of \$41.4 million, or 76 cents a share, for the third quarter, compared with \$63.4 million, or \$1.44 a share, in the same pe-

riod a year earlier.

Stripping out one-time items, earnings came in at 91 cents a share. Analysts polled by FactSet had expected 62 cents a share.

Revenue declined 5.9% to \$599.6 million from about \$637 million. Analysts polled by FactSet had expected \$587.1 million.

In AMC's domestic operations, content licensing revenue increased 31% to \$81 million. The company attributed the gain to available deliveries in the period, including those

related to its branded shows in connection with a new content-licensing agreement with **Netflix**.

Advertising revenue in domestic operations decreased 10% to \$133 million due to linear ratings declines and a challenging ad market, though it recorded some growth in digital and advanced advertising revenue.

In AMC's international business, content licensing and other revenue decreased due to the sale of its interest in 25/7 Media, while advertis-

ing revenue increased on new streaming offerings launched in select markets.

Chief Executive Kristin Dolan said AMC is well on its way to delivering on its stated goal of roughly \$500 million in cumulative free cash over two years.

AMC disclosed it completed a deal with BBC Studios to acquire the remaining stake in the BBC America joint venture it didn't already own for \$42 million in cash. The company is the sole owner of the BBC America business.

Building-Products Distributor QXO Hires AI Chief to Smooth Operations

By ISABELLE BOUSQUETTE

QXO, a new player in building-products distribution, is taking a technology-first approach in a sector where many deals still happen over the phone, naming a chief artificial-intelligence officer with plans for a Silicon Valley presence.

The unsexy, under-the-radar building-products distribution industry, which involves buying construction materials like plumbing supplies, HVAC systems and lumber wholesale and selling them to contractors, is ripe for disruption, said QXO Chairman and Chief Executive Brad Jacobs, who has built multibillion-dollar companies in logistics and other sectors through acquisitions.

As part of that push, QXO named Ashwin Rao as its first chief AI officer. The founder of AI startup CX Score, who was formerly **Target's** first-ever vice president of AI, starts Monday. His plans include opening a QXO office in Silicon Valley and tapping industry connections to build out the company's new AI team, which could ultimately consist of a few dozen people.

Rao will apply advanced AI



QXO's AI head Ashwin Rao.

to inventory management and demand forecasting—the same goal he had at **Target** in 2016, which remains a challenge.

"We will employ a lot of domain knowledge along with AI to solve the problem. So I think having the talent that understands AI and operations will help us do it faster, cheaper, more efficiently," Rao said.

While AI can make predictions based on historical data sets, results can be choppy because the world keeps

changing, Rao said. The demand patterns of two months ago might be different after an election, fluctuations in the macroeconomy, a pandemic or even a competitor having a going-out-of-business sale. The growing ability of AI to process larger and larger data sets will help, he said.

Using AI to offer a better, more-personalized e-commerce experience as well as using tools like copilots for internal workplace efficiencies will also be top of mind, Rao said.

The \$800 billion building-materials distribution industry has been slower to modernize than other sectors, said Jennifer Castenson, vice president at construction management software company **Buildxact**.

Many sales are still done over the phone, in person or via fax machine, and software systems can be decades old, she said. Although that makes the process slower, companies are hesitant to automate be-

cause they see personal contact as important to their competitive advantage, she added.

Rao said a talent shortage is another reason the industry hasn't evolved faster: Top AI minds typically want to work at trendy, high-paying companies like Google or Goldman Sachs rather than help sell pipes and toilets.

Jacobs said a large technology budget, top-tier talent and the same strategy he used to attack the logistics sector are poised to help QXO capture market share quickly. Jacobs didn't specify the size of the budget, but he noted that at his previous company, supply-chain heavyweight **XPO**, the tech budget was over \$500 million before the company's two spinoffs.

Jacobs built XPO through a series of splashy acquisitions before effectively unwinding the business and spinning it out into three separate publicly traded companies.

In December, Jacobs and others agreed to invest about \$1 billion into a small, publicly traded software company, **SilverSun Technologies**, and renamed it QXO. The company, which has yet to make any acquisitions in the building-materials sector yet, has raised another \$4.1 billion in two private placements from investors including **Jared Kushner**.

Jacobs expects QXO to grow to \$50 billion in revenue over the next decade.

More-established companies in the industry also have been investing in better technology. **Ferguson Enterprises**, which had almost \$30 billion in sales last year, recently started implementing a new third-party inventory management system that leverages AI for more detailed and accurate inventory forecasts, said Ferguson's senior vice president of supply chain, **Michael Jacobs**.

"It's using technology as an enabler, not the only driver of our connections with our customers," he said.

Port of Montreal Locks Out Union In Pay Dispute

By ROBB M. STEWART

OTTAWA—The movement of cargo through Canada's second-largest seaport halted late Sunday after dockworkers at the Port of Montreal rejected a revised pay offer from employers, heightening stresses on trade as talks aimed at reopening ports on the country's West Coast faltered.

The Maritime Employers Association, which represents companies operating at the Port of Montreal, said it had no choice but to declare a lockout Sunday evening in response to the rejection of a final offer tabled last week.

The association repeated a call on the federal government to intervene to break the impasse as quickly as possible, echoing similar requests from business organizations across the country worried about the hit to the economy and Canada's reputation as a reliable trade partner from labor stoppages at the two busiest ports in the country.

The employers group said it remained willing to collaborate on any new initiatives that may be proposed by Labor Minister Steven MacKinnon to reach a satisfactory agreement. MacKinnon earlier said both the talks in Montreal, as well as separate negotiations to the west, were progressing at an insufficient pace.

The decision to push ahead with a lockout came after the longshore union's roughly 1,200 members overwhelmingly rejected the employers' fresh offer.

The employers made the new offer to dockworkers Thursday with the warning they would invoke a lockout if a deal wasn't agreed to by late Sunday.

An overwhelming majority of the Canadian Union of Public Employees local 375's 1,200 members who voted rejected

the offer in a secret ballot, the union said.

"The hostile offer was rejected because the employer refused to negotiate. Nothing in the offer reflects the union's demands. If the MEA had respected the collective bargaining processes, solutions would have been found and a conflict at the port of Montreal would have been avoided," said Michel Murray, union adviser at the Canadian Union of Public Employees.

The lockout heightens the disruption Canadian trade now faces and risks spilling over into the U.S.

The Maritime Employers Association estimates that close to 400 million Canadian dollars, the equivalent of about \$287 million, in goods pass through the Port of Montreal each day. A shutdown at ports along the coast of British Columbia, which collectively are responsible for an estimated C\$800 million a day in trade, shows no sign of movement.

The resumption of talks Saturday between employers at British Columbia ports and the union representing more than 700 supervisors failed to make headway, meaning a lockout that has suspended the movement of cargo continues. The two sides met separately with federal negotiators with no progress, and no further meetings are scheduled.

The International Longshore and Warehouse Union Ship & Dock Foremen local 514 accused the British Columbia Maritime Employers Association of cutting off the federally mediated talks and attempting to impose significant concessions on union members.

The union called on the individual employers running the terminals represented by the association to return to the bargaining table to work on a new collective agreement for supervisors.

AI Alters Billing At Ad Agencies

By MEGAN GRAHAM

Advertising agencies' ability to work more efficiently because of AI may upend the way those agencies make money.

Agencies have long billed marketers by the number of hours their employees spend producing client work, using rate cards to charge different amounts for contributions by people according to their roles.

Now, AI is eroding the number of people, hours and roles required to deliver for clients, and agencies may find the standard billing arrangement comes up short.

AI is helping agencies rapidly produce personalized creative images, for example, or altering elements like color, position, lighting and language—tasks that were once highly manual.

It is also letting copywriters, who once may have needed several hours to write 50 variations of copy for a given ad, now generate 100 variations immediately, then choose to edit and curate them.

"Just in ChatGPT and Adobe alone are hundreds of use cases on how the creative side of agencies can shave so much time off," said Tracey Shirtcliff, chief executive and founder of **ScopeBetter**, which helps com-

panies price their services, among other offerings.

Billing for time doesn't explicitly account for everything agencies do, including valuable aspects of a creative campaign such as generating strategic insights and big ideas, but it helps them cover such costs and keep the marketing machine humming.

Ad holding company **WPP**, which owns agencies including **Ogilvy** and **Wunderman Thompson**, told investors earlier this year that the use of AI will help the company move away from hours-based pricing toward output and return-based pricing models.

WPP CEO Mark Read suggested that AI is enabling new tactics that have new costs of their own, such as employing people to manage the technology.

"Look at other industries that have been impacted by technology," Read said during the company's capital markets day. "You look at the movie industry, as AI has reduced the cost of special effects, the cost of making movies has increased."

Some agencies and their marketer clients are moving to pricing that pays based on what they deliver or measurable results, meaning they get paid a certain amount regardless of how long a task took.

Will Cloud Streaming Kill the Videogame Console?



Scan this code to listen to a Future of Everything podcast on developments in the videogame industry. Joost van Dreunen, an industry analyst and CEO of market research firm Aldora, joins WSJ's Danny Lewis to talk about the new technology behind streaming complex, interactive videogames and how it could change the multibillion-dollar industry.



WPP's Mark Read says AI will allow more personalization.

Young Executives Shun Old Sales Methods

Boozy schmoozing is out and pickleball is in as a new breed reshapes business

By OLIVER STALEY

A new generation of executives is reimagining how business is getting done.

Hyperconnected and digitally native, 20- and 30-somethings rarely make sales calls, avoid email and are loath to pick up the phone. They make connections over LinkedIn and follow up via text. When they do meet in person, it is more likely to be over coffee than lunch, and if invited to a party, they are ordering mocktails and nonalcoholic beer.

When out with older clients, “I will order the lightest possible lager and let them have their fancy whiskey,” said William King, a 29-year-old co-founder of **SuperCopy.ai**, an Atlanta AI marketing startup. “I don’t want to be drunk when I’m doing business with people.”

But the shift in how younger businesspeople choose to

entertain and communicate with clients and investors isn’t just about personal preferences. For a host of reasons including increased competition, the Covid-19 pandemic, employee turnover and the proliferation of decision makers, the old ways of doing business no longer work as well.

When Lars Hyman, 53, started in advertising in the early 1990s, “those Mad Men guys” were still around and three-martini lunches still existed. “The people in the business then were the people you wanted to be,” Hyman said.

Companies have since clamped down on excessive spending and entertaining, said Hyman, now U.S. head of communications design at Initiative, a media agency that is part of ad giant Interpublic Group. The trend accelerated during the pandemic when corporate finance teams realized business didn’t suffer when those costs were cut, he said.

The biggest change in work culture is the rise of technology and a generation at home with it, Hyman added. Deci-

sions aren’t based on friendships or gut instincts but on quantifiable data. Personal connections still matter, but not like they used to.

“The bar for selling is so much higher that a lot of those party tricks don’t really work anymore,” said Kyle Norton, 38, chief revenue officer for **Owner.com**, a startup that sells technology to small restaurants. “You can’t just wine and dine and buddy up to somebody and expect to get a result. You need to be able to demonstrate competence as a seller because your selling experience will be indicative of the post-sale support and success experience. And you need to be airtight on demonstrating a business case, the [return on investment].”

Because one-on-one meetings are so inefficient, young marketers eschew them and instead make connections at conferences. There, they join

group workouts and pickleball tournaments that serve as networking events.

Social-media platforms, and particularly LinkedIn, have become the default channels for young entrepreneurs to pitch and communicate with potential investors and clients, said Adam Gautsch, who coaches entrepreneurs at Advanced Technology Development Center, a startup incubator in Atlanta.

The biggest change is the rise of tech and a generation at home with it.

“They’re spending a lot of their time having conversations, both socially on those channels or directly through the DMs of those different tools,” Gautsch said. “Everybody kind of accepts that that’s part of the day-to-day sales life nowadays.”

Technology also has made the sales call less useful for corporate buyers. Meetings used to be a valuable way to gain information about products and services, but now

buyers do their own research online, said Jen Allen-Knuth, a Chicago-based sales trainer.

In response, Gen Z sellers need to make meetings more enticing for buyers by doing their own research, and customizing pitches based on what they have learned through social-media channels, Allen-Knuth said. “It’s very rare to have an executive that doesn’t have a Twitter account or even YouTube.”

For some entrepreneurs, digital communication has almost completely replaced face-to-face meetings. King, the SuperCopy.ai co-founder, never gets on a plane to make sales calls or meet investors, preferring to do everything via Zoom.

Venture investors once expected founders to come to face-to-face meetings, King said, but “because of Covid, that boundary’s no longer there. I can have calls with 10 VCs across the world on my computer.”

The digital-first approach to communications emboldens young entrepreneurs, who have learned everyone is on-

line and reachable, said Kirsten Connell, an early-stage investor at Octopus Ventures, a London-based venture-capital firm.

But when everyone is reachable, everyone worth reaching is deluged with incoming messages. And that may be enough to keep old-fashioned sales techniques from disappearing.

“Your inbox is inundated if you’re a buyer,” said Marty Hahnfeld, 57, the former chief revenue and marketing officer at Olo, a restaurant software company. “It’s so tough to stand out in that environment. So what I’ve seen is that the companies who are most effective in making the most progress are actually reverting to those older styles of selling.”

That means getting on a plane and taking a prospective client out to lunch or dinner at a nice restaurant.

“I guess I’m maybe old school myself,” Hahnfeld said. “I think, ultimately, that selling comes down to relationships and trust, and those sorts of venues provide a great opportunity for that.”

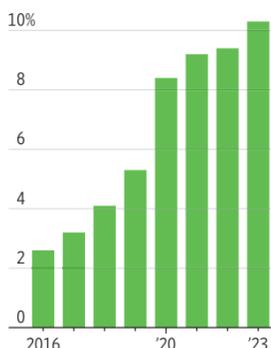
Amazon Focuses on Grocery

Continued from page B1

of the American population. The retailer has been rapidly expanding its online delivery and pickup businesses, and in August said those services are growing faster than in-person sales. Many of those orders are fulfilled through its stores rather than at warehouses, effectively turning the stores into distribution centers.

Bishop said those online ordering capabilities have helped Walmart reach more higher-

Percentage of total grocery sales bought online



Source: Bain & Co.

income customers who wouldn’t normally shop at its discount-filled stores.

In its revamp, Amazon is looking to change the way it



Amazon plans to fulfill delivery orders for Whole Foods products out of 26 of its Amazon Fresh fulfillment centers.

handles online orders while also trying to get consumers to change the way they shop for groceries.

Amazon said it started to

fulfill delivery orders for Whole Foods products and popular household goods out of 26 of its Amazon Fresh fulfillment centers, with plans to

add more soon. The company also has started delivering groceries from a same-day fulfillment site in Phoenix.

At a Whole Foods store in Plymouth Meeting, Pa., Amazon plans to build a microfulfillment center that will carry household items and groceries from Amazon Fresh. Customers would place orders on their phones while they shop the aisles at Whole Foods, then pick up the items at checkout. In Chicago, Amazon recently opened a 3,800-square-foot stand-alone grocery store called Amazon Grocery near a Whole Foods store.

Amazon has recently closed and renovated some Amazon Fresh locations. The company has closed at least five warehouses across the U.S. dedicated to groceries this year.

Amazon in April introduced

an unlimited grocery-delivery subscription in the U.S. and this year has opened a handful of new Amazon Fresh store locations.

The head of the company’s grocery division left in October after nearly three years in the role. Tony Hoggett is now the chief operating officer at **Wonder**, a restaurant delivery startup run by Marc Lore, an e-commerce entrepreneur and former Walmart executive.

More American consumers began purchasing groceries online for pickup or home delivery during the pandemic. Online sales made up 10.3% of all grocery sales in the U.S. last year, up from 5.3% in 2019 before the pandemic, according to consulting firm Bain & Co.

—Sarah Nassauer contributed to this article.

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China Moves Into U.S. Warehouses

E-commerce firms lease more space as they aim to reach American consumers

By Liz Young

Logistics operators with roots in China are taking on more warehouse space across the U.S. amid broad changes in sourcing, manufacturing and global trade flows.

Prologis, the world's largest industrial real-estate operator, said it estimates China-based third-party logistics providers and e-commerce companies accounted for 20% of net new warehouse leasing across the U.S. this year through the third quarter, which company officials say is up sharply over recent years.

Chris Caton, the company's managing director for global strategy and analytics, said Prologis has long leased space to Chinese retailers and logistics operators and the demand "has clearly accelerated this year."

Industrial real-estate experts said some of the companies are based in China, while others have their headquarters in the U.S. or elsewhere and primarily handle logistics from China to the U.S. Many of the logistics operators have focused on leasing space in major U.S. markets near ports in Southern California, New Jersey and Savannah, Ga.

In New Jersey, China-based logistics companies leased 5.6 million square feet of warehouse space through the third quarter, nearly three times the amount of space they leased in that region in all of 2023, according to real-estate services firm JLL.

Chinese e-commerce giants

Alibaba Group and **JD.com** have been expanding their warehousing presence in the U.S., and third-party logistics firms including Western Post, Lecangs and Elogistik have also stepped up leasing.

Prologis's Caton said some logistics providers are setting up warehouses in response to the rapid growth of China-founded discount retailers such as **Shein** and **Temu**, which have won over American shoppers with rock-bottom prices on products ranging from apparel to home goods.

"Some of these concepts are growing 25%, 50% year on year," Caton said. "When you go from having a \$5 [billion] to \$10 [billion], or \$10 [billion] to \$20 billion online concept, you need a supply chain to execute on that."

Fast-fashion site **Shein** and shopping app **Temu** have been building out U.S. supply chains to speed up fulfillment. The companies have typically shipped most orders via air directly to U.S. consumers from suppliers in Asia, with delivery times that could extend beyond a week, far beyond the average shipping time of retail rivals such as **Amazon.com**, **Walmart** and **Target**.

Shein, based in Singapore, opened warehouses in Indiana and California. A company representative said **Shein** is using third-party logistics providers across the U.S.

The U.S. arm of **Temu**, owned by Chinese e-commerce company **PDD Holdings**, has been adding American brands and sellers with inventory stored in the U.S. to its low-price marketplace. A **Temu** representative said third-party sellers on its marketplace use a variety of logistics operators.

The companies have been investing in U.S. sales at a

time when regulatory changes are in the pipeline that would make it more complicated and expensive to ship directly to Americans from China.

The Biden administration said in September it would restrict use of a tariff policy called the de minimis rule that allows packages valued at under \$800 to enter the country without duty or customs screening, a provision that the Chinese e-commerce sellers have used to ship their goods to U.S. customers.

Jason Tolliver, head of logistics and industrial real estate at real-estate services firm **Cushman & Wakefield**, said some companies are storing more goods in the U.S. to



Discount retailers like Shein have won over U.S. customers. An Indiana warehouse.

prepare for the prospect of additional tariffs on products made in China. "Regardless of who wins the U.S. presidential election, both parties have a platform where tariffs are a part of their policy, and particularly tariffs against

China," Tolliver said.

Experts say the leasing activity has been a bright spot for warehouse owners as the broader U.S. warehousing market has contracted following frenzied demand during the pandemic.

The vacancy rate for industrial real estate climbed to 6.4% in the third quarter, up from 4.6% in the same period a year earlier and the highest quarterly reading since the end of 2014, according to Cushman.

Chegg Struggles To Survive

Continued from page B1
took over as CEO and laid off 441 employees, almost a quarter of its workforce. He pushed for international expansion and outlined a plan for Chegg to become useful to students for more than homework answers.

Schultz said Chegg was dealing with a hangover from the growth it experienced during the pandemic and an uncertain outlook for classroom policies around AI. He said Chegg plans to target what he calls the "curious learner" by offering more comprehensive answers and services such as counseling. "In moments of disruption, you have to focus on what you do best," he said.

Researchers at the University of Illinois at Urbana-Champaign conducted a study in the spring last year to see how ChatGPT influenced cheating in an introductory programming course. They found students overwhelmingly moved to ChatGPT from what the researchers called "plagiarism hubs" such as Chegg. "It appeared that they completely shifted over from trying to find online solutions and copying them to just going to ChatGPT and having it generate solutions for them," said Craig Zilles, professor of computer science at the University of Illinois at Urbana-Champaign.

The Chegg spokeswoman said, "We take any attempt to misuse our platform extremely seriously, cooperate with official university investigations into allegations of cheating and invest in our technology and solutions to prevent such actions." OpenAI declined to comment.

Around 2022, as Chegg was struggling with late-pandemic turbulence in its business, employees asked for resources to develop AI tools for automating answers. Chegg's leaders initially denied the request, said a person who worked on the effort. Immediately after ChatGPT's release, some Chegg employees thought the company wasn't at risk because of the chatbot's propensity to make up incorrect answers.

But within months, Chegg's internal data showed students were increasingly turning to



Chegg lost more than half a million subscribers since ChatGPT's launch.

ChatGPT as a studying aid. Employees found some of the answers provided by GPT-4, the technology behind ChatGPT, scored higher on internal evaluations than answers from Chegg's human experts.

Around that time, Rosensweig met with Sam Altman, CEO of OpenAI. The pair agreed to develop a service called Cheggmate that would use Chegg's repository of millions of answers and GPT-4 to instantly answer student questions and generate quizzes. As testing of Cheggmate began, Rosensweig said on a May earnings call that ChatGPT had begun eating into subscriber growth. Chegg pulled financial forecasts for the rest of the year and its stock dropped 48% in a day.

By the following earnings call, Rosensweig said the company's AI features would no longer be called Cheggmate. He announced a second partnership with a startup called Scale AI that would help Chegg create more than two dozen AI systems for different academic disciplines.

The company used AI developed with Scale AI to answer homework and test questions.

Chegg's automated answers have allowed it to provide homework answers at about one-quarter the cost of those produced by humans, the company said. The new tools haven't reversed subscriber losses.

Chegg reported an 11% revenue drop in the second quarter, its biggest annual decline since 2017. Wall Street analysts expect the company to report a 15% decrease in sales when it announces third-quarter earnings Tuesday. Chegg said 91% of its users were satisfied with the product. Schultz said Chegg wanted to target students who need more than freely available answers from chatbots.

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MARKETS DIGEST

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Shares (mil.)	Pricing Range(\$)	Bookrunner(s)
11/12	9/16	Peak Resources Crude Petroleum and Natural Gas Services provider	PRB	4.7	13.00/15.00	Janney Montgomery Scott

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision	
Nov. 10	May 15, '24	Jiade	JDZG	4.00	8.0	-79.5	180 days
	May 15, '24	Raytech Holding	RAY	4.00	6.5	-59.5	180 days
Nov. 12	Nov. 14, '23	Signing Day Sports	SGR	5.00	6.0	-96.2	365 days

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's IPO date/Offer price	% Chg From Offer price	1st-day close	Company	SYMBOL	Friday's IPO date/Offer price	% Chg From Offer price	1st-day close
Willow Lane Acquisition	WLACU	Nov. 8/\$10.00	9.96	-0.4	Founder Group	FGL	Oct. 23/\$4.00	1.79	-55.4
GSR III Acquisition	GSRU	Nov. 7/\$10.00	9.98	-0.2	High Roller Technologies	ROLR	Oct. 23/\$8.00	5.98	-25.3
Bleichroeder Acquisition I	BACQU	Nov. 1/\$10.00	9.98	-0.2	Li Bang International	LBGI	Oct. 23/\$4.00	3.98	-0.5
Newbury Street Acquisition II	NTWOU	Nov. 1/\$10.00	9.97	-0.3	SAG Holdings	SAG	Oct. 23/\$8.00	2.56	-68.0
Gettel	GELS	Oct. 29/\$4.00	2.32	-42.0	Aldel Financial II	ALDFU	Oct. 22/\$10.00	9.99	-0.1
Septerna	SEPN	Oct. 25/\$18.00	25.91	43.9	HUHUTECH International Group	HUHU	Oct. 22/\$4.00	4.21	5.3
Charlton Aria Acquisition	CHARU	Oct. 24/\$10.00	10.00	-0.1	Oriental Rise Holdings	ORIS	Oct. 17/\$4.00	6.75	68.8
Bold Eagle Acquisition	BEAGU	Oct. 24/\$10.00	10.01	0.1	Springview Holdings	SPHL	Oct. 17/\$4.00	4.27	6.7
Ingram Micro	INGM	Oct. 24/\$22.00	24.08	9.5	PTL	PTLE	Oct. 16/\$4.00	3.04	-24.0
Oaktree Acquisition III Life Sciences	OACCU	Oct. 24/\$10.00	10.02	0.2	Samfine Creation Holdings	SFHG	Oct. 15/\$4.00	10.28	157.0

Public and Private Borrowing

Treasuries

Tuesday, November 12	Wednesday, November 13
Auction of 13 and 26 week bills; announced on November 7; settles on November 14	Auction of 17 week bill; announced on November 12; settles on November 19
Thursday, November 14	
Auction of 4 and 8 week bills; announced on November 12; settles on November 19	

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 1,936.80 points, or 4.61%, on the week. A \$1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$37,764, or a gain of 25.88%, on the \$30,000 investment, including reinvested dividends. Note: Intel Corporation and Dow, Inc. accounted for a gain of 19.91 and a loss of 0.46 points in the DJIA this week, respectively (not shown).

The Week's Action		Pct. change		Point chg		Company		Symbol		Close		\$1,000 Invested (year-end '23)	
13.46	69.91	456.28	174.17	174.17	174.17	Goldman Sachs	GS	589.26				1,557	
9.24	27.23	174.17	174.17	174.17	174.17	Salesforce	CRM	321.95				1,229	
9.03	12.23	-7.68	174.17	174.17	174.17	NVIDIA	NVDA	147.63				2,982	
8.50	48.25	312.60	174.17	174.17	174.17	UnitedHealth Group	UNH	615.81				1,184	
8.02	28.70	16.41	174.17	174.17	174.17	Sherwin-Williams	SHW	386.67				1,248	
6.30	14.04	91.98	174.17	174.17	174.17	JPMorgan Chase	JPM	236.98				1,426	
5.89	17.13	111.66	174.17	174.17	174.17	Visa	V	307.87				1,189	
5.60	7.12	46.24	174.17	174.17	174.17	3M	MMM	134.34				1,512	
5.47	14.91	97.62	174.17	174.17	174.17	American Express	AXP	287.60				1,554	
5.18	10.25	68.13	174.17	174.17	174.17	Amazon.com	AMZN	208.18				1,370	
4.92	10.30	66.83	174.17	174.17	174.17	Honeywell	HON	219.49				1,064	
4.61	2.56	16.83	174.17	174.17	174.17	Cisco	CSCO	58.06				1,187	
4.58	11.25	71.96	174.17	174.17	174.17	Travelers	TRV	256.89				1,367	
3.62	13.74	96.54	174.17	174.17	174.17	Caterpillar	CAT	393.37				1,352	
3.39	13.31	84.71	174.17	174.17	174.17	Home Depot	HD	405.90				1,194	
3.35	3.21	21.05	174.17	174.17	174.17	Walt Disney	DIS	99.02				1,102	
3.21	2.64	16.93	174.17	174.17	174.17	Walmart	WMT	84.83				1,630	
2.97	12.17	81.17	174.17	174.17	174.17	Microsoft	MSFT	422.54				1,130	
2.63	5.47	35.92	174.17	174.17	174.17	IBM	IBM	213.72				1,343	
2.52	3.86	25.29	174.17	174.17	174.17	Chevron	CVX	156.93				1,086	
1.90	6.06	38.39	174.17	174.17	174.17	Amgen	AMGN	325.28				1,154	
1.82	4.05	26.83	174.17	174.17	174.17	Apple	AAPL	226.96				1,185	
1.58	2.61	15.33	174.17	174.17	174.17	Procter & Gamble	PG	167.71				1,173	
1.27	3.76	22.88	174.17	174.17	174.17	McDonald's	MCD	298.97				1,027	
1.02	1.04	6.09	174.17	174.17	174.17	Merck	MRK	102.92				962	
-1.68	-1.09	-7.27	174.17	174.17	174.17	Coca-Cola	KO	63.92				1,109	
-1.88	-2.91	-19.41	174.17	174.17	174.17	Boeing	BA	151.68				582	
-2.13	-0.88	-5.74	174.17	174.17	174.17	Verizon	VZ	40.48				1,146	
-2.79	-2.18	-14.30	174.17	174.17	174.17	Nike	NKE	75.88				707	
-2.91	-4.66	-30.08	174.17	174.17	174.17	Johnson & Johnson	JNJ	155.47				1,015	

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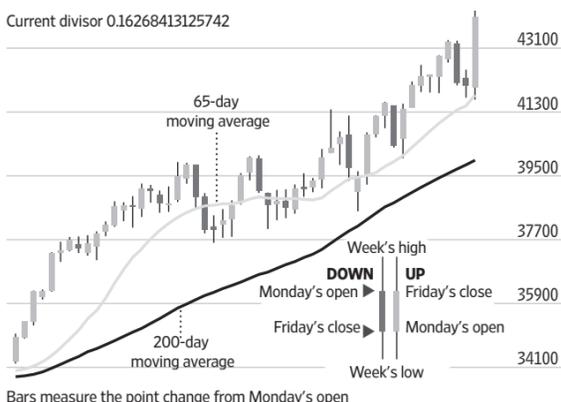


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Dow Jones Industrial Average

43988.99 ▲1936.80, or 4.61% last week Trailing P/E ratio 27.72 25.00
High, low, open and close for each of the past 52 weeks P/E estimate* 22.32 18.72
Dividend yield 1.83 2.11
All-time high 43988.99, 11/08/24



NYSE weekly volume, in billions of shares



Major U.S. Stock-Market Indexes

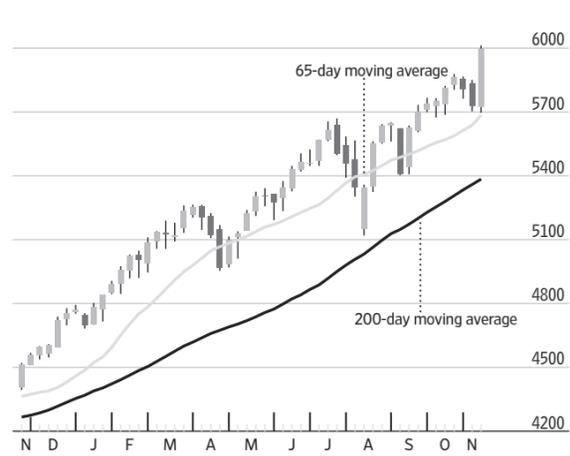
	High	Low	Close	Latest Week	Net chg	% chg	Low	52-Week Range	Close	High	% chg	YTD	3-yr. ann.
Dow Jones													
Industrial Average	44157.29	41647.30	43988.99	1936.80		4.61	34283.10		43988.99	28.3	16.7	6.5	
Transportation Avg	17497.03	16276.38	17353.94	1002.61		6.13	14379.44		17462.35	20.3	9.2	0.9	
Utility Average	1035.01	1001.90	1031.92	12.90		1.27	827.37		1071.27	23.1	17.0	4.4	
Total Stock Market	59846.78	56552.93	59700.71	2874.95		5.06	43682.81		59700.71	36.6	24.9	6.9	
Barron's 400	1327.50	1223.51	1325.02	97.38		7.93	946.40		1325.02	40.0	23.6	5.9	
Nasdaq Stock Market													
Nasdaq Composite	19318.56	18112.83	19286.78	1046.86		5.74	13767.74		19286.78	39.8	28.5	6.5	
Nasdaq-100	21155.00	19898.57	21117.18	1084.04		5.41	15482.79		21117.18	36.0	25.5	8.9	
S&P													
500 Index	6012.45	5696.51	5995.54	266.74		4.66	4411.55		5995.54	35.8	25.7	8.4	
MidCap 400	3303.39	3099.70	3297.36	194.51		6.27	2436.25		3297.36	35.2	18.5	4.3	
SmallCap 600	1514.07	1385.46	1508.36	119.05		8.57	1113.75		1511.13	35.3	14.4	1.0	
Other Indexes													
Russell 2000	2402.36	2200.30	2399.64	189.51		8.57	1705.33		2399.64	40.7	18.4	-0.6	
NYSE Composite	19990.34	19196.39	19937.13	683.59		3.55	15388.44		19937.13	29.6	18.3	4.8	
Value Line	644.32	610.94	642.09	31.15		5.10	517.12		642.09	24.0	8.1	-2.7	
NYSE Arca Biotech	6176.74	5931.31	6154.34	188.74		3.16	4639.09		6154.34	32.7	13.6	3.3	
NYSE Arca Pharma	1025.54	986.80	1005.70	-19.57		-1.91	864.90		1140.17	15.8	10.5	8.5	
KBW Bank	135.01	119.96	131.73	10.24		8.43	77.82		134.94	68.9	37.2	-2.0	
PHLX\$ Gold/Silver	161.29	152.81	156.73	-2.55		-1.60	102.94		175.74	45.3	24.7	5.0	
PHLX\$ Oil Service	82.59	74.09	79.37	5.642		7.65	72.67		95.25	-6.0	-5.4	8.2	
PHLX\$ Semiconductor	5337.91	4960.64	5290.52	289.10		5.78	3556.74		5904.54	47.3	26.7	11.6	
Cboe Volatility	23.07	14.66	14.94	-6.94		-31.72	11.86		38.57	5.4	20.0	-4.6	

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

S&P 500 Index

5995.54 ▲266.74, or 4.66% last week Trailing P/E ratio* 25.37 19.69
High, low, open and close for each of the past 52 weeks P/E estimate* 24.57 19.72
Dividend yield* 1.24 1.70
All-time high 5995.54, 11/08/24



Scan

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end funds generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end) or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, November 8, 2024

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
General Equity Funds							
Adams Diversified Eq Inc	ADX	25.18	22.44	-10.9	42.4		
Central Secs	CEI	58.34	49.09	-15.9	40.2		
CohenStresCEOppA	FOF	12.36	13.17	+6.6	36.4		
EVTAAdvDivInc	EVV	NA	25.15	NA	38.1		
GabelliDiv&Inc Tr	GDV	29.08	25.07	-13.8	38.4		
Gabelli Equity Tr	GAB	5.66	5.58	-1.4	29.3		
General Amer	GAM	64.03	55.05	-14.0	39.3		
JHancockTaxAdvDiv	HTD	24.97	23.18	-7.2	48.3		
JHancockTaxAdvDiv	HTD	7.42	7.42	0.0	33.7		
Liberty All-Star Growth	ASG	6.43	6.00	-6.7	35.5		
Royce Micro-Cap Tr	RMT	11.62	10.21	-12.1	40.0		
Royce Value Trust	RVT	18.63	16.54	-11.2	44.3		
Source Capital	SOR	47.04	45.17	-4.0	23.5		
Special Opportunities	SPE	NA	15.15	NA	50.4		
Spott Focus Trust	SFD	9.35	8.05	-13.9	19.7		
SRH Total Return	STEW	21.08	16.22	-23.1	29.6		
Tri-Continental Tr	TCF	38.58	34.10	-11.6	34.8		
Specialized Equity Funds							
abrdn Gbl Prem Ppt	AWP	4.25	4.31	+1.4	41.2		
abrdn Global Infra Inc	ASGI	20.22	19.36	-4.3	33.5		
Adams Natural Resources	PEO	27.63	24.29	-12.1	24.0		
ASA Gold & Prec Met Ltd	ASO	24.20	21.50	-11.2	66.9		
BR Enh C&I	CI	21.91	20.00	-8.7	19.5		
BlackRock Energy Res	BGR	14.80	13.43	-9.3	14.0		
BlackRock Eq Enh Div	BDJ	9.54	8.85	-7.2	31.7		
BlackRock Enh Gbl Div	BOE	12.67	11.24	-11.3	28.1		
BlackRock Enh Intl Div	BGY	6.21	5.53	-11.0	21.6		
BlackRock ESG Cap All T	ECAT	18.50	17.69	-4.4	35.5		
BlackRock Hlth Sci Term	BMEZ	18.12	15.96	-11.9	31.5		
BlackRock Hlth Sciences	BME	44.39	41.18	-7.2	18.2		
BlackRock Innov&Gro Term	BIGZ	8.67	7.75	-10.6	26.2		
BlackRock Res & Comm	BCX	10.48	9.60	-8.4	21.4		
BlackRock Sol&Tech Term	BSTZ	23.26	21.24	-8.7	46.5		
BlackRock Sol&Tech Trst	BST	39.47	37.40	-5.2	22.8		
BlackRock Sol&Tech Trst	BST	23.94	23.65	-1.2	31.3		
CLEARBRIDGE Gbl Opp	EMO	51.57	46.20	-10.4	56.7		
ChnStrInfr	UTF	25.27	25.49	+0.9	37.2		
Cohen&StearsGlobal	ROQ	14.06	13.67	-2.8	47.9		
Cohen&Stears Real Est	RLTY	17.31	16.59	-4.2	47.1		
Cohen&Stears Tot Ret	RT	12.35	12.98	+4.3	33.0		
Cohen&Stears Trst Prefnc	RTK	22.45	23.45	+4.5	49.5		
Columbia Sel Pm Tech G	STK	34.45	33.76	-2.0	24.5		
DNP Select Income	DNP	NA	9.35	NA	14.0		
DuffPhVtUS&Intl Inc F	DPG	NA	11.66	NA	49.0		
EtnVncEqlyIncl	EOI	NA	23.12	NA	44.4		
EtnVncEqlyIncl	EOS	NA	23.12	NA	42.4		

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	US\$	Fri	YTD Chg (%)
Americas			
Argentina peso	.0010993	6.065	22.9
Brazil real	.1743	5.7378	18.2
Canada dollar	.7187	1.3915	5.0
Chile peso	.001031	970.36	10.9
Colombia peso	.000229	4359.88	12.5
Ecuador US dollar	1	1	unch
Mexico peso	.0496	20.1759	18.9
Uruguay peso	.02395	41.7450	6.9
Asia-Pacific			
Australian dollar	.6584	1.5188	3.5
China yuan	.1393	7.1791	0.9
Hong Kong dollar	.1286	7.7746	-0.5
Indonesia rupiah	.01185	84.399	1.7
India rupee	.0000639	15649	1.7
Japan yen	.006552	152.63	8.2
Kazakhstan tenge	.002030	492.53	8.2
Macau pataca	.1248	8.0120	-0.5
Malaysia ringgit	.2282	4.3825	-4.6
New Zealand dollar	.5967	1.6759	5.9
Pakistan rupee	.00360	278.050	-1.1
Philippines peso	.0171	58.475	5.6
Singapore dollar	.7545	1.3254	0.4
South Korea won	.0007152	1398.19	8.0
Sri Lanka rupee	.0034164	292.71	8.0
Taiwan dollar	.03101	32.250	5.1

Sources: Tullett Prebon, Dow Jones Market Data

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on November 8, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class; CB: chairman; CEO: chief executive officer; CFO: chief financial officer; CO: chief operating officer; D: director; DO: director and beneficial owner; GC: general counsel; H: officer, director and beneficial owner; I: indirect transaction filed through a trust, insider spouse, minor child or other; O: officer; OD: officer and director; P: president; UT: unknown; VP: vice president; Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value in transaction (000s)	Close (\$)	Ytd (%)
Oct. 31-Nov. 4	Clear Channel Outdoor Holdings	CCO	A. Moreno	B	1,915	1.42-1.48	2,776	1.58	-13.2
Nov. 5	South Plains Financial	SPFI	N. Valles	D	50	33.50	1,675	39.13	35.1
Oct. 31-Nov. 4	Atlas Energy Solutions	AESI	G. Shepard	B	65	19.30-19.57	1,266	20.64	19.9
Nov. 1	Columbus McKinnon	CMCO	D. Wilson	CEO	31	31.85-32.10	1,002	36.30	-7.0
Nov. 4	Everest Group	EG	W. Galtney	D	3	348.64	1,001	368.29	4.2
Nov. 4-6	Heartland Express	HTLD	M. Gerdin	CEO	68	10.95-11.49	750	11.99	-15.9
Nov. 1	Mid Penn Bancorp	MPB	M. De Soto	D	18	29.50	543	32.06	32.0
Nov. 1	Rhythm Technologies	IRTC	A. Talwalkar	D	7	75.16	501	86.48	-19.2
Nov. 1	CalciMedica	CALC	F. Middleton	DO	108*	3.75	404	3.47	21.3
Nov. 1	W.P. Carey	WPC	M. Alexander	D	5	55.29	276	56.73	-12.5
Nov. 4	Trinity Capital	TRIN	S. Brown	OD	19	13.08-13.32	254	14.08	-3.1
Nov. 4	Intel	INTC	P. Gelsinger	CEO	11	22.53	251	26.20	-47.9
Nov. 1	MAIA Biotechnology	MAIA	S. Smith	DI	100	2.51	251	2.91	148.7

Sellers

Date	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value in transaction (000s)	Close (\$)	Ytd (%)
Nov. 1	Amazon.com	AMZN	J. Bezos	H	1,068	200.07	213,761	208.18	37.0
Oct. 31-Nov. 4	Ecolab	ECL	W. Gates	BI	797	243.15-249.87	195,929	250.04	26.1
Nov. 5	Stryker	SYK	R. Stryker	DO	230	363.65-370.07	84,495	375.96	25.4
Nov. 6-7	Hess	HES	J. Hess	CEO	544*	141.86-144.40	77,836	142.18	-1.4
Nov. 4-6	Carvana	CVNA	M. Jenkins	CFO	268	220.30-242.79	60,960	244.35	361.6
Nov. 1	Netflix	NFLX	R. Hastings	OD	42	748.72-763.26	31,536	795.04	63.3
Nov. 6	Church & Dwight	CHD	M. Farrell	CEO	300	103.84	31,152	106.45	12.6
Nov. 4	Jefferies Financial Group	JEF	R. Handler	CEO	400	72.26	28,902	71.50	76.9
Nov. 4	T-Mobile US	TMUS	R. Ciardo	DI	110	224.30	24,673	235.31	46.8
Nov. 4	Eaton	ETN	C. Arnold	OD	62	358.90-362.19	22,224	366.67	52.3
Nov. 4	Palo Alto Networks	PANW	L. Klarich	O	60	357.00-363.56	21,639	391.40	32.7
Nov. 6	Amphenol	APH	C. Lampko	CFO	300	71.56	21,469	73.87	49.0
Nov. 4-6	St. Joe	JOE	B. Berwick	B	388	50.89-53.45	20,677	52.68	-12.5
Nov. 5-6	Zoom Video Communications	ZM	E. Yuan	CEO	262	76.45-79.83	20,372	81.46	13.3
Nov. 4-5	Aurora Innovation	AUR	R. Hoffman	DI	3,694	5.17-5.45	19,498	5.61	28.4
Nov. 4-6	DoorDash	DASH	T. Xu	CEO	108	153.63-163.15	17,075	171.40	73.3

* Half the transactions were indirect ** Two day transaction

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling
Basic Industries	1,492,642	28,956,191
Capital Goods	1,557,591	127,677,810
Consumer durables	99,700	30,729,247
Consumer non-durables	246,563	31,084,932
Consumer services	3,882,204	233,611,827
Energy	447,218	17,361,939

Sources: LSEG Data and Analytics; Dow Jones Market Data

Fund (SYM)	NAV	Close/	Disc/	Ret	52 wk	Prem	Ttl
Japan Smaller Cap	JOF	9.63	7.71	-19.9	14.1		
LazardGblTotRetInc	LGI	18.60	17.14	-7.8	35.9		
Mexico	MXF	18.02	14.08	-21.9	-9.1		
Miller/Howard High Inc	HE	12.64	12.50	-1.1	33.5		
MS ChinaShrFid	CAF	15.90	13.13	-17.4	10.2		
MS India	HF	33.52	28.04	-16.3	45.0		
Nuveen Multi-Asset Inc	NMAI	NA	12.77	NA	28.7		
Nuveen RI Ass't Inc & Gro	JRI	14.03	13.53	-3.6	44.3		
NYU CBRE Gbl Inf Mgt	MSI	15.11	13.85	-8.3	33.3		
Templeton Dragon	TDF	10.69	8.99	-15.9	12.0		
Templeton Em Mkt	EMF	15.33	13.10	-14.5	23.2		
U.S. (Symington) Bond Funds							
BlackRk Income BKT	BKT	12.11	11.99	-1.0	8.9		
Investment Grade Bond Funds							
Angel Oak FS Inc Trm	FNS	14.08	12.94	-8.1	10.0		
BlIRck Core Bond	BHK	10.67	11.54	+8.2	7.7		
BR Credit Alloc Inc	BTZ	11.54	11.06	-4.2	9.3		
Insight Select Income	MSI	17.79	17.30	-2.8	4.6		
Invesco Bond	VBF	16.54	16.30	-1.5	5.2		
JHancock	JHS	12.22	11.53	-5.6	4.0		
MFS Intmdt	MIN	2.81	2.73	-2.8	0.0		
Westn Ass't Gbl Def Opp Tr	IGI	17.58	16.82	-4.3	4.9		
Loan Participation Funds							
BR Debt Strategy	DSU	10.74	10.99	+2.3	10.9		
BR F/R Inc Str	FRA	13.02	14.05	+7.9	10.7		
BlackRock Floating Rtr	RFI	12.69	13.13	+3.5	11.0		
Blackstone Lng Sh Cr Inc	BGX	13.38	12.85	-4.0	9.9		
BS SFR 2027 T	BST	NA	14.42	NA	9.6		
BS St Cr 2027 Trm	BGB	NA	12.38	NA	9.4		
Eagle Point Credit	EIC	NA	9.70	NA	17.5		
Eagle Point Income	ECC	NA					

MARKETS

Trump Win Endangers U.S. Clean Energy

President-elect wants to boost fossil fuels and dial back green subsidies

BY AMRITH RAMKUMAR AND SCOTT PATTERSON

Donald Trump's victory puts a skeptic of global warming back in the White House, triggering an about-face on climate policy that threatens to derail billions of dollars in clean-energy investment and slow a reduction in the nation's emissions.

Investors dumped shares of renewable-power developers and bought oil-and-gas stocks in the days after the election. Clean-energy companies are vulnerable because Trump has said he wants to repeal a 2022 Biden administration climate law that promised to channel several hundred billion dollars of tax incentives, loans and grants into the sector. The subsidies triggered a surge in manufacturing and jobs, most in Republican congressional districts. Trump and some Republicans say the subsidies are wasteful government overreach.

Trump aims to rip up environmental regulations, which he says will unleash oil-and-gas production that is at record levels. He has said doing so would boost the economy and the nation's energy independence.

Wind and solar already make up the bulk of new power generation in the U.S., but many analysts fear slower deployments will lead to more-frequent extreme weather events driven by climate change that wreak havoc and damage the economy.

"This is unambiguously bad for the future of climate policy in this country," said Sheldon Kimber, chief executive of clean-energy developer **Intersect Power**. He is taking calls from investors worried about how tariffs that Trump said he would levy on goods from China and

other countries could push up costs while changes to tax credits could disrupt future project development.

Trump's stance on climate change will be in focus in Azerbaijan at an annual United Nations climate summit that starts Monday. Countries are off track to meet their climate commitments. This year is set to be the hottest on record and first with global average temperatures more than 1.5 degrees Celsius above preindustrial levels, threatening efforts to limit global warming below that threshold. Global emissions could climb faster if the U.S. backs out of climate agreements like the Paris accord that commit countries to pursuing emissions reductions, analysts said. The U.S. withdrew from the accord during Trump's first term but rejoined in 2021 under President Biden.

Many experts don't expect Trump to fully repeal the climate law known as the Inflation Reduction Act, a move that would require congressional approval. Many of the projects it supports are already under construction and have drawn bipartisan support from local, state and federal lawmakers.

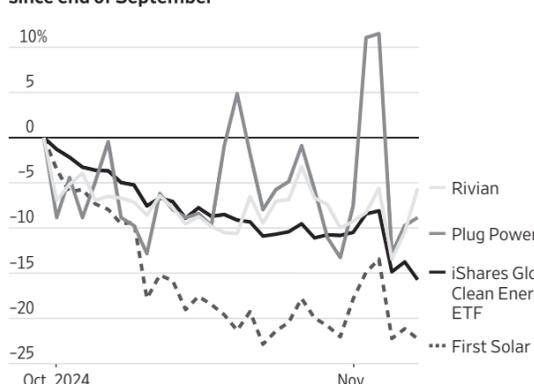
"The president can only do so much in dealing with legislation," said Heather Reams, president of Citizens for Responsible Energy Solutions, a conservative-leaning nonprofit.

But Trump alone could make it more difficult for companies and consumers to claim tax credits for buying electric cars or installing offshore wind projects. His administration could pause grants and loans, creating uncertainty for companies.

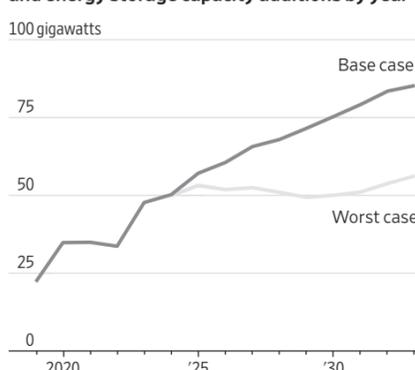
Intersect's Kimber hopes tax credits for wind, solar and energy storage will survive and expects the industry to put priority on using equipment made in America, a trend spurred by the law.

Companies are expected to emphasize domestic operations and argue they bolster indepen-

Performance of clean-energy stocks and ETF since end of September



Annual projected U.S. combined wind, solar and energy storage capacity additions by year



*Trump has tried to distance himself from Project 2025, a conservative policy blueprint written by former Trump officials and allies; Projections include assumptions about future policies that could change

Sources: FactSet (performance); Rhodium Group-MIT/CEEP Clean Investment Monitor (investment); Wood Mackenzie (capacity additions); Energy Innovation (projected U.S. emissions)

dence from China, which dominates clean-energy industries from electric vehicles to solar panels. If Trump retreats from the sector, China's lead is expected to become even more intractable. A repeal of the climate law could cause some \$80 billion in lost investment opportunities for the U.S. that other countries could seize, a Johns Hopkins study found.

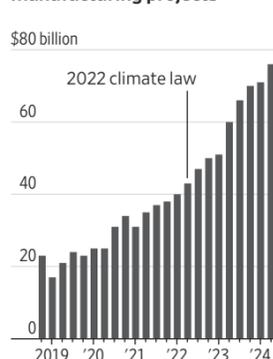
A core challenge for clean-energy companies is that efforts to establish domestic supply chains are still in their infancy. That means high tariffs could push

up equipment costs across the board. Renewable projects also are capital intensive, meaning expectations for higher borrowing costs are another obstacle.

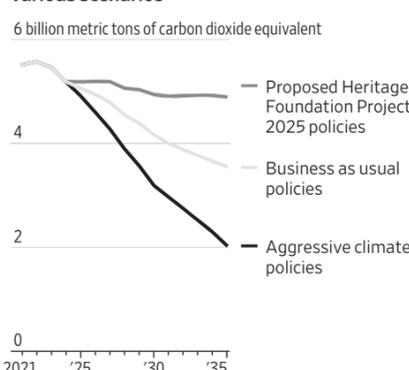
"Those are two big input costs that these companies just took a big hit on," said Catherine Wolfram, a former Biden administration energy economist who is now a professor at the Sloan School of Management at the Massachusetts Institute of Technology. She called the election result "gut-wrenching."

An exchange-traded fund that tracks the sector slid more than

Quarterly U.S. investment in clean energy and related manufacturing projects



Annual projected U.S. emissions in various scenarios*



7% last Wednesday, its biggest drop since March 2020, before stabilizing Thursday and falling again Friday. Names such as solar-panel maker **First Solar** were hit particularly hard. So were startups that have pending federal loan agreements such as hydrogen upstart **Plug Power**. An ETF tracking oil-and-gas stocks added about 6% for the week.

Many companies will apply a full-court press to urge Trump not to undo the law, building on lobbying that has been going on for months. Fossil-fuel executives who are some of Trump's

biggest backers are pushing to keep parts of the law that benefit their sector. Many in the industry opposed the law before it passed but now favor tax credits for low-carbon energy projects they are developing such as capturing emissions at industrial facilities.

Andy Marsh, Plug Power's CEO, said the company has been discussing hydrogen tax credits with Republicans and Democrats for months. While expensive to produce, hydrogen is a potential replacement for fossil fuels in sectors such as fertilizer-making and aviation. The conversations included members of a group of 18 House Republicans who wrote a letter to Speaker Mike Johnson (R., La.) in August urging him not to push for a repeal of the law.

Plug Power began production at one of the nation's first green hydrogen plants in southeast Georgia this year. Plug Power is vulnerable to Trump's win because it has a nearly \$1.7 billion loan commitment from the Energy Department's Loan Programs Office. Such agreements could be in danger if they aren't completed by inauguration day in January.

The loan office, which has about \$25 billion in pending loans, is racing to get the money out the door. Largely dormant during the first Trump administration, the program reviews deals for years to avoid losing taxpayers money after solar-panel startup Solyndra went bust after getting a \$535 million loan.

Marsh is in regular contact with Energy Department officials and expects them to move even faster now. He is hopeful hydrogen tax credits will survive because oil companies are investing in the sector. "It probably would have been better for us if it went the other way, but it's certainly not the end of the world," he said, referring to the election results.

—Eric Nüiler contributed to this article.

City Built on Oil Is Hosting World Climate Conference

BY YUSUF KHAN

BAKU, Azerbaijan—Fossil fuels are key to Azerbaijan, an eastern Caucasian country that shares borders with Russia, Georgia, Armenia and Iran. Its capital Baku itself sitting on an oil field. All of which makes hosting the biggest climate conference in the world seriously strange. Welcome to COP29.

Global climate leaders will head to Baku for the U.N. Conference of the Parties, known as COP—a two-week summit starting Monday, during which global leaders hash out methods to solve climate change. The event this year has been billed as the finance COP, with the focus on how to find the money for the transition away from fossil fuels and limit global warming.

The COP president, Mukhtar Babayev, is a veteran of the country's state oil company SOCAR. But the summit's organizers say Azerbaijan's link to fossil fuels should not be a cause for concern.

"Our approach and the starting point is that we are all together on this effort, we're committed to contribute to global climate action and this was the rationale behind our pitch to host COP29," said Samir Bejanov, deputy lead ne-

gotiator for COP29.

"We are [an] oil-and-gas producer, that's true," said Bejanov. "We're not shying away from our history, but at the same time, if you look at what we are doing in terms of renewables, Azerbaijan has plans to invest billions in renewable projects."

Azerbaijan's economy is one of the most dependent on oil and gas, which make up nearly 60% of its income, according to the United Nations. Azerbaijan's president, Ilham Aliyev, once referred to the country's reserves as a "gift from God."

Critics note the country is looking to increase its exports of natural gas, including more shipments to Europe. Bejanov said Russia's invasion of Ukraine and rising European demand justified added investment in the sector.

It isn't the first time a fossil-fuel-producing nation hosted COP. Last year's event took place in the United Arab Emirates, and next year's is scheduled to be held in Brazil, the newest member of the oil-producing cartel, OPEC.

"It is clear that Azerbaijan's plans to keep increasing fossil-fuel production are not compatible with the commitment it has made to lead by example by submitting an NDC [Nation-

ally Determined Contribution] aligned with the 1.5 degrees Celsius temperature limit, alongside its fellow COP Troika members U.A.E. and Brazil," said Shady Khalil, global policy senior strategist at Oil Change International clean-energy research and advocacy group.

Khalil added Azerbaijan, Brazil and the U.A.E. are planning to increase oil-and-gas production by 32% by 2035. "These aren't the actions of credible climate leaders," Khalil added.

The conference comes after the U.N. Environment Programme warned the Paris target of limiting global warming by 1.5 degrees Celsius this century would be "dead within a few years" if only current policies to limit global warming remain in place. It added that temperatures would likely move 3.1 degrees higher at current spending levels by 2100.

The effects of climate change are starting to become more pronounced globally. Flooding in Spain a week before the conference killed hundreds, while wildfires, droughts and storms are more frequent.

One of the key discussions being addressed at the COP will be NDCs—the outline of countries' individual plans to address climate change and stay aligned with the 1.5 degrees target. The deadline for submission for those is in February, though the expectation is that some countries including Azerbaijan will submit their proposals during the summit.



Major banks aren't sending senior executives despite the summit's energy-transition-finance focus.

Attendance this year is likely to be much lower than last year, with a number of companies choosing to send smaller delegations or completely skip the conference in part because of its location. More than 80,000 attended in Dubai, with less than half that figure expected in Baku, the U.N. said.

The U.S. delegation is expected to be led by John Podesta, senior adviser to President Biden for international climate policy. However, President-elect Donald Trump has said he would pull the U.S. out of the Paris agreement, something he did during his first presidency, clouding much of U.S. climate policy going into the conference.

Most major banks including **JPMorgan**, **Morgan Stanley** and **Goldman Sachs** are choosing not to send their senior executives, despite the summit being dedicated to energy-transition finance. However, the oil-and-gas industry is expected to be well represented. **Exxon Mobil's** chief executive is expected to attend while British

oil giant **BP**, which has a major presence in Azerbaijan, is expected to show its backing for the host nation.

Meanwhile, many are expecting senior Russian officials and business leaders to attend, given Azerbaijan's close links with Russia, including those who have been sanctioned by the U.S. and the European Union. Russian President Vladimir Putin visited Baku in the summer.

Human-rights groups say Azerbaijan aims to boost its international standing and give legitimacy to the country's government by hosting the summit. In the past year, more than a dozen journalists have been arrested in the country, according to human-rights charities. The European Parliament denounced the country's treatment of activists and opposition leaders.

In 2023, Azerbaijan launched an invasion of the Nagorno-Karabakh region, which borders Armenia and is disputed between the two countries. It expelled some 100,000

ethnic Armenians from the region and took dozens of prisoners. BP has plans to build a solar project in the disputed region.

"Azerbaijan is using COP to green wash its reputation internationally to continue to produce oil and gas for decades to come and act as a disrupter for international politics," said Patrick Gale, senior investigator at Global Witness.

Despite the very strong ties to fossil fuels and the human-rights concerns, the Azeris are eager to tout their country's green credentials. It is aiming to have 30% of its power come from renewable sources by 2030, building out wind farms and solar parks.

"We have plans to not only invest in renewables and clean technology within the country, we also have plans to export that in the near future and we have plans to export five gigawatts of clean electricity to the European market. So it's not just Azerbaijan," said Bejanov, the COP29 deputy lead negotiator.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	monday.com 0.63/0.64	1.82/0.35
Bond markets are closed for Veteran Day	RadNet 0.16/0.25	Tyson Foods 0.72/0.37
	Zeta Global Holdings (0.06)/(0.27)	
Ratio, days of trading volume of current position, at Oct 15		
NYSE 4.5		
Nasdaq 2.6		
Earnings expected		
Estimate/Year Ago		
Aramark 0.52/0.64		
IAC (0.28)/(4.72)		
Luminar Technologies (0.15)/(0.21)		
Tuesday		
Earnings expected		
Estimate/Year Ago		
Home Depot		
Live Nation		
Entertainment 1.61/1.78		
Occidental Petroleum 0.74/1.18		
Shopify 0.27/0.24		
Spotify Technology		
Consumer price index		
All items, Sept. up 2.4%		
Oct., expected up 2.5%		
Core, Sept. up 3.3%		
Oct., expected up 3.3%		
Mort. bankers indexes		
Purch., previous down 5.0%		
Refinan., prev. down 19.0%		

Treasury budget		
Oct., '23 \$67 bil. deficit		
Oct., '24, exp \$259 bil. deficit		
Earnings expected		
Estimate/Year Ago		
Cisco Systems 0.87/1.11		
CyberArk Software 0.46/0.42		
Helmerich & Payne 0.78/0.69		
Loar Holdings 0.13/n.a.		
Tetra Tech 0.37/0.36		
Thursday		
EIA status report		
Previous change in stocks in millions of barrels		
Crude-oil stocks up 2.1		
Gasoline stocks up 0.4		
Distillates up 2.9		
EIA report: natural-gas		
Previous change in stocks in billions of cubic feet		
up 69		
Freddie Mac mortgage survey		
Previous weekly averages		
30-year fixed 6.79		
15-year fixed 6.00		
Initial jobless claims		
Previous 221,000		
Expected 225,000		
Producer price index		
All items, Sept. up 0.0%		
Oct., expected up 0.2%		
Core, Sept. up 0.2%		
Oct., expected up 0.3%		
Earnings expected		
Estimate/Year Ago		
Advance Auto Parts 0.52/(0.82)		

Applied Materials 2.19/2.12	Oct., expected down 0.1%	Capacity utilization
Inviydy (0.34)/(0.36)		Sept., previous 77.50%
Post Holdings 1.21/1.63		Oct., expected 77.30%
Talen Energy 0.26/(1.30)		Industrial production
Walt Disney 1.10/0.82		Sept., previous down 0.3%
Friday		Oct., expected down 0.2%
Import price index		Retail sales, ex. autos
Sept., previous down 0.4%		Sept., previous up 0.5%
		Oct., expected up 0.3%
		Retail sales
		Sept., previous up 0.4%
		Oct., expected up 0.3%
		Business inventories
		Aug., previous up 0.3%
		Sept., expected up 0.2%

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split
Note: Forecasts are from Dow Jones weekly survey of economists

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Europe's Economy Faces a Reckoning

With the U.S. election result and the German government's collapse, the continent's lagging economy is at a crossroads

Wall Street's verdict is clear: A second Trump presidency is likely to deliver a blow to an export-dependent European Union that is struggling with sclerotic economic growth and ever-multiplying political crises. Whether it will finally spark some change is the question for patient investors.

Since last Wednesday, the day after the election, the S&P 500 gained 3.7% while the Euro Stoxx 50 and the FTSE 100 are down. Among those to shed the most market value are clean-energy firms such as **Vestas**, carmakers including **BMW**, consumer-goods companies like **Nestlé** and **Unilever** and sellers of pharmaceuticals such as **Roche**. They all sell a lot to the U.S.

The U.S. is the top goods-export market for the EU, and for Germany, with pharmaceuticals, machinery and vehicles topping the export list.

During his campaign, President-elect Donald Trump floated a 60% tariff on Chinese imports and a levy of 10% to 20% across the board. The think tank German Economic Institute estimates such a measure could make the German economy between 1.2% and 1.4% smaller than it would have been by 2028.

The core of the EU's export machine has been plunged into difficulties because of the end of cheap Russian energy, delays in joining the electric-vehicle revolution and an overreliance on selling to China.

Volkswagen last month said it was closing at least three plants in



German carmakers such as Volkswagen could be at risk from Trump's win.

Germany. According to FactSet, American customers make up 18% of its sales, about the same as the German market.

"I want German car companies to become American car companies," Trump said last month while holding a rally in Savannah, Ga. "If you don't make your product here, then you will have to pay a tariff, a very substantial tariff."

On Wednesday, Oliver Zipse, chairman of German carmaker BMW, underscored the company has a plant in Greer, S.C. "The most demanded vehicles in the United States, we produce there," he told analysts in a conference call. "So there is some natural cover against possible tariffs."

Volkswagen and **Mercedes-Benz**

have factories in Chattanooga, Tenn., and Vance, Ala., respectively. **Airbus**, **Siemens** and **BASF** service the U.S. market from within, as do Nestlé and Unilever.

Much depends on details. In early 2021, Airbus's assembly line in Mobile, Ala., was forced to pay tariffs for its shipments of fuselage, wing and tail components from France and Germany, as part of a World Trade Organization dispute. An agreement was quickly reached to suspend the tariffs.

Regardless, building up capacity to service all types of American-based demand would be hard. The Mobile plant makes A220 and A320 jets, but A330 and A350 wide-bodies are assembled in France. Volkswagen uses Chattanooga for

the Atlas SUV, the Passat sedan and the electric ID.4, but the bestselling Tiguan and Jetta are built in Mexico. Roughly one-quarter of U.S. imported cars originate there, and Trump suggested a 200% tariff could be slapped on them. And when it comes to high-performance models, most EU firms still make them domestically and ship them over. Exports to the U.S. amounted to about 800,000 cars in 2023.

To be sure, EU leaders struck a conciliatory tone with Trump last week, suggesting a more amicable endgame such as the 2018 trade deal between the U.S., Canada and Mexico is possible.

Another risk is China would send even more cheap goods to Europe if the U.S. ratchets up its trade war with Beijing.

Yes, recent experience shows that China often just reroutes exports through third countries—and, as of recently, faces higher tariffs for electric vehicles in the EU anyway—but even small shifts could have big effects.

For a decade and a half, the 27-nation bloc limped along, fostering just enough political change to avoid a painful breakup during the debt crisis of the 2010s and the 2020 pandemic, but never enough to truly invigorate its economy. Attempts by France's Emmanuel Macron and Germany's Olaf Scholz to change course have ended in paralysis. Scholz's three-party government collapsed last week after years that saw the coalition's pro-

austerity member blocking efforts to spur domestic industry with public spending.

Yet the first Trump presidency did galvanize some early support for a cohesive industrial strategy in Europe. The long-term bull case for European equities is that Trump 2.0 will be a catalyst for further transformation. European Central Bank President Mario Draghi published a report in September urging less red tape, state aid to key sectors and, where appropriate, harsher tariffs, all of which has buy-in from officials in Brussels.

On a small scale, the impulse toward a European industrial policy is already playing out. European defense contractors such as **BAE Systems**, **Rheinmetall** and **Thales** saw their shares jump on the expectation that less American military involvement in Europe will force governments there to rely on their own capabilities. By 2030, the EU wants members to direct 50% or more of their procurement budgets toward European contractors.

Elsewhere, substituting foreign markets for domestic consumers will prove much harder, though providing advantages to buyers of EVs has proved extremely effective in Norway. They now outnumber cars that run on gasoline. Caught between the U.S. and China, Europe's economic strategy is soon to face its biggest challenge since the eurozone crisis. Investors are right to be wary.

—Jon Sindreu

Some Sectors Poised To Benefit From Antitrust Reset

Donald Trump's victory could prove to be just what the doctor ordered for dealmakers. That is particularly the case in sectors where consolidation has been most held back, including technology and healthcare. But much remains to be seen—especially considering some of the populist forces that helped propel the 45th president to another term.

Wall Street's dealmakers are sharpening their pencils. Investment-banking titans **Goldman Sachs**, **Morgan Stanley** and **JP Morgan Chase** saw their stocks notch their biggest single-day gains in four years the day after the election. Megacap tech companies rallied—adding \$773 billion to their collective market cap this week—while biotechnology stocks jumped.

One big reason for the optimism is the belief the incoming administration will prove much more friendly to major mergers and acquisitions that have been increasingly off the table for these industries over the past four years.

Few figures in the Biden administration have clashed more with American corporations than Lina Khan, the 35-year-old chair of the Federal Trade Commission. Khan has been a vocal opponent of tech giants, challenging companies like **Microsoft**, **Alphabet's** Google, **Amazon.com** and **Meta Platforms**. The exit of Khan and her Justice Department counterpart, Jonathan Kanter, would signal a shift to a more-relaxed antitrust stance.

While antitrust policy isn't the

only factor influencing mergers and acquisitions, loosening restrictions could unleash pent-up demand.

The market could use the boost. Last year saw the lowest number of M&A deals targeting U.S. companies since 2015, and this year is on pace to close with an even smaller number of transactions announced, according to data from Dealogic.

Megadeals faced a particularly high barrier—especially those by companies that regulators in the U.S. and Europe deemed "too big to deal." Enhanced scrutiny significantly increased the time required to close deals of this scale.

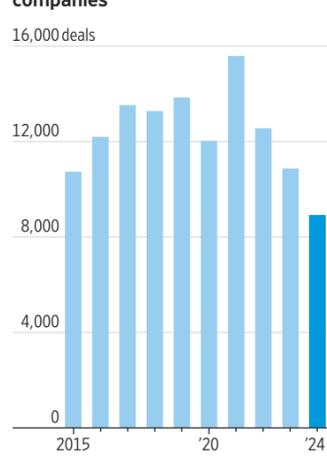
It took Microsoft nearly two years to complete its \$75 billion acquisition of Activision Blizzard that wrapped last year, compared with the six months required to close its next-largest deal—the takeover of LinkedIn in 2016.

Such lengthy waits act as another barrier to deal making. Amazon gave up on buying Roomba maker **iRobot** earlier this year after 17 months; it took the e-commerce giant less than three months to clear its acquisition of Whole Foods in 2017—at nearly eight times the price.

Adobe likewise walked away from an effort to buy design software maker Figma late last year after 15 months. By contrast, the average time to close major U.S. tech deals from 2018 through 2020 was a little under six months, according to Dealogic.

In healthcare, a shift in antitrust policy could enable pharmaceutical companies to pursue larger biotech

M&A transactions targeting U.S. companies*



*Based on announcement date. Data for 2024 is year to date through Nov. 6.

acquisitions or even consider megamergers between pharma giants of the kind that were once common in the industry.

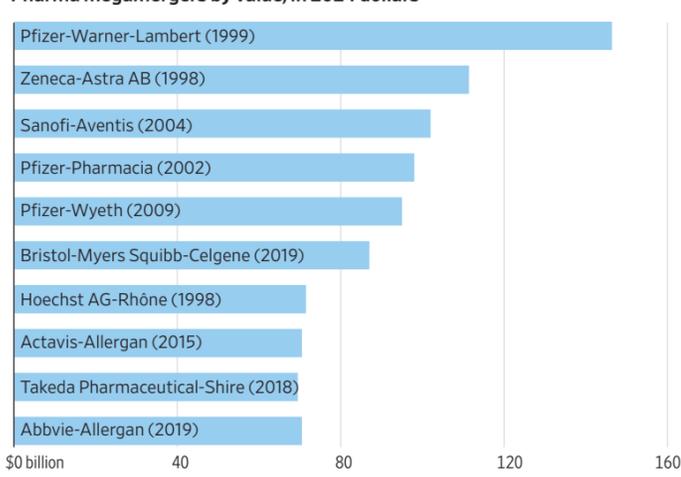
In recent years, smaller deals of \$5 billion or less have become much more popular in healthcare, while big or even midsize acquisitions have become less frequent.

Notable exceptions were **Pfizer's** \$43 billion buyout of Seagen and **Amgen's** \$27.8 billion acquisition of Horizon Therapeutics, though the FTC tried to stop the latter and might have looked more favorably on the former due to Pfizer's positive role during the Covid-19 pandemic.

Megadeals like **Bristol Myers Squibb's** acquisition of Celgene for \$74 billion in 2019 or **Pfizer's** \$68 billion acquisition of rival Wyeth in 2009 have been out of the question.

Health insurers might see new opportunities. For instance, some on Wall Street expect talks for a **Humana-Cigna** blockbuster deal—which The Wall Street Journal reported took place last year—could be revived. Humana stock is up over 10% since Trump's victory,

Pharma megamergers by value, in 2024 dollars



Sources: Dealogic (transactions); Drug Discover & Development (mergers)

also due partly to expectations of a more-favorable Medicare Advantage policy.

In recent years, many in Silicon Valley and in the biotechnology industry have voiced concerns that the Biden administration's tough antitrust stance was eroding investor confidence in their ability to realize returns on investments. Critics argue that for venture capitalists to continue funding new ventures, they need the assurance that they can eventually reward shareholders through exits, often in the form of mergers or acquisitions.

Khan and her defenders argued that they weren't out to stop all deals, simply the ones that led to a higher concentration of market power that would eventually harm consumers. That created a bias among industry titans against large deals that could be susceptible to regulatory attention.

"Obviously, anyone who wants to speculate about these things would have to immediately consider the global regulatory environment," **Walt Disney** Chief Executive Bob Iger said on an earnings call last year, when asked about the oft-cir-

culated rumor that **Apple** might seek to buy the entertainment giant.

One important cautionary note: There is no guarantee that Trump will totally dial back antitrust scrutiny. Vice President-elect JD Vance is among a group of populist Republicans who have taken a more-skeptical view of corporate power. Some have referred to them as Khanservatives, a nod to Khan's populism.

Another: There is no assurance that key regulators abroad, which ultimately decide on many large-scale mergers that affect their markets, would follow a Trump administration's lead, especially if trade relations get more contentious.

Deal making depends on much more than just antitrust policy. Interest rates and the availability—and valuation—of suitable targets matter just as much.

But dealmakers over the past four years also have had to factor in the growing chances that the federal government will just say no. Now they at least have an opportunity to reset those odds.

—David Wainer and Dan Gallagher

BUSINESS & FINANCE

Apollo Global Management Seeks Individual Investors

By Luis Garcia

Apollo Global Management is seeking to become the asset manager of choice for insurers as its own insurance business, Athene, posted strong results through the third quarter, including retail sales of annuities.

Apollo Chief Executive Marc Rowan said the New York firm placed partner Jeff Jacobs in charge of its capital-management business for insurers. Apollo expects the unit's total assets to double in five years

from the \$100 billion it currently oversees, Rowan said last Tuesday during an earnings call with securities analysts.

Expanding its insurance business would boost Apollo's ability to make new investments. The firm deployed \$76 billion during the third quarter.

"We have built for Athene the capacity to originate good assets and have proven over the past 15 years that we can scale our retirement-services business," Rowan said of the

push to manage capital held by other insurers. "This is important to us not just in the capacity to add [assets] but also to support an industry and to support retirement."

Apollo expects wealthy individual investors and "mass affluent" retirement savers to put more of their capital into private-markets investments over the coming years, with such investments increasingly viewed as a supplement for traditional stock-and-bond portfolios, Rowan said. He

added that greater participation in alternative assets through registered investment advisers and through 401(k) plans represent "macro trends or tailwinds" underpinning Apollo's expansion plans for the next five years.

Athene brought in \$57 billion this year through September, including \$28 billion through retail sales, mainly consisting of annuities, Apollo reported. Combined with \$62 billion in fresh capital to Apollo investment funds through the

first three quarters of the year, the commitments helped lift the firm's total assets under management to \$733 billion at the end of September, 16% more than a year earlier.

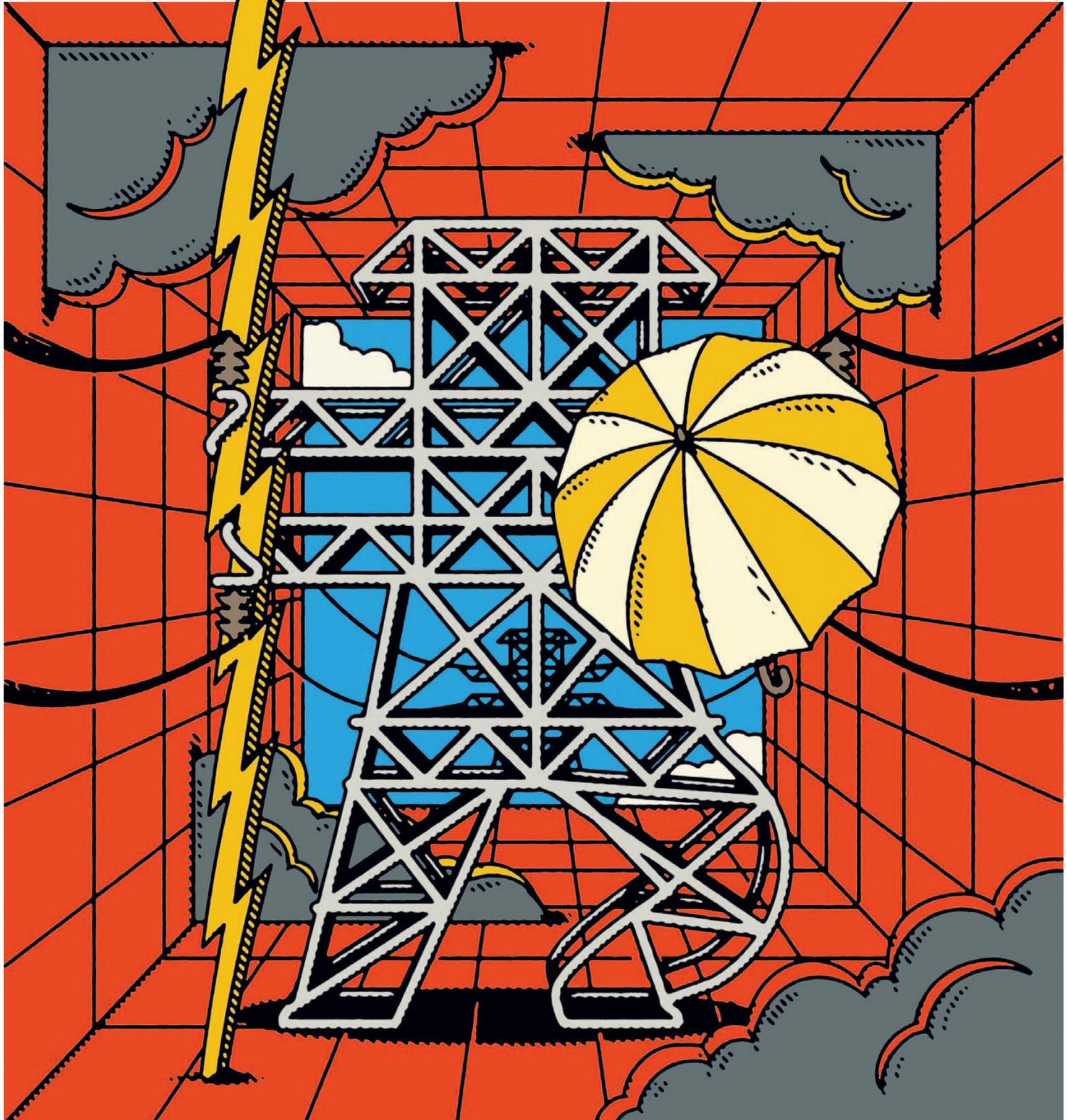
The firm's fee-related earnings rose nearly 13% to a record \$531 million, or 87 cents a share, for the just-ended quarter compared with the year-earlier quarter. Spread-related earnings, a performance metric for Athene's operations, edged down about 2% to \$856 million during the period from a year

ago, but was still the second-highest quarterly result to date, the firm said.

Apollo's third-quarter net income climbed about 19% to \$787 million, or \$1.29 a share, from \$660 million, or \$1.10 a share, in the same period of last year. Stripping out one-time items, Apollo reported adjusted earnings of \$1.13 billion, or \$1.85 a share. Analysts polled by FactSet expected \$1.73 a share.

—Dean Seal contributed to this article.

ALTERNATIVE ENERGY



FIVE WAYS TO

DISASTER-PROOF THE GRID

BY AMY MYERS JAFFE

With extreme weather events—and power outages—on the rise, utilities and tech companies are looking for ways to keep the lights on in the future

EXTRME WEATHER has been pushing the country's power grid to its limits—and wreaking havoc on homeowners and businesses.

Hurricanes, heat waves and other weather events have gotten more severe in recent years, driven by warming

seas, rapid coastal erosion and record temperatures, among other factors. And that has taken its toll on the aging, overtaxed U.S. energy grid: Extreme weather events triggered 1,755 widespread power outages from 2014 to 2023—double the figure from the early 2000s, according to Climate Cen-

Please turn to page R2

Amy Myers Jaffe is director of the Energy, Climate Justice, and Sustainability Lab and a research professor at New York University's School of Professional Studies, and author of "Energy's Digital Future." She can be reached at reports@wsj.com.

The Best Ways to Cool a Home—Without Using AC

Architects and homeowners have long assumed air conditioning would keep people comfortable. Now they are looking to the past to lower temperatures.

BY WILLIAM BOSTON

AS THE WORLD warms, it's getting harder—and more expensive—to beat the heat. But architects, designers and homeowners are looking for ways to keep homes comfortable without air conditioning, or at least with less reliance on it.

For years, the idea of turning

off the AC was unthinkable. Since home air conditioning became widespread in the U.S. in the 1960s, architects paid little heed to maximizing or minimizing a house's exposure to the sun or prevailing winds.

"We could build the same house anywhere on Earth, taking the house completely out of context," says Graham Irwin, principal architect at California-based Essential Habitat Architecture.

His firm is one of many that

design or renovate homes with today's focus on energy conservation in mind—creating so-called passive houses, which meet a series of energy-efficient standards to be more climate friendly. "We normally see about an 80% reduction in energy use in the houses we work on," he says.

Throwing shade

One of the key features of a passive house is that it is heavily insulated and sealed up tight to keep warmth inside during the winter and cool air inside during the summer. Passive houses also incorporate passive cooling techniques, using architectural and natural methods to keep a house from heating up by blocking the sun and enhancing ventilation.

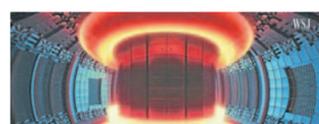
Take the home called the *Please turn to page R6*

Inside



TEN QUESTIONS

Are you up on solar energy? Take this quiz to find out. **R3**



Scan this code to see how China is making progress in a clean energy source, nuclear fusion.

WATER-BASED BATTERIES

The search is on for batteries that won't catch fire. One idea: Add some water. **R3**



BLOWING IN THE WIND

Residential wind power is a niche sector. But innovations aim to make it more viable. **R6**

JOURNAL REPORT | ALTERNATIVE ENERGY

5 WAYS TO DISASTER-PROOF THE ENERGY GRID

Continued from page R1

tral, a research organization on climate science. Hurricane Helene left about six million customers without power, according to the Edison Electric Institute, an industry think tank. Similarly, Hurricane Beryl left nearly two million customers without power earlier this year.

Worse may be on the way: The U.S. government's National Climate Assessment projects that we are due for even more extreme weather in the coming years unless climate change is curbed.

Now utilities, local governments, the U.S. military and tech companies, to name a few, are looking for ways to strengthen the energy grid and protect it from weather-related disasters. They are gearing up to apply AI to age-old problems like fortifying infrastructure and deploying repair crews. They are investigating technology like improved transmission lines and battery power to keep electricity flowing in emergencies. And customers are hunting for their own ways to prep for extreme weather, such as creating micro-electric grids that can operate independently of the main grid if need be.

Here are five promising ways to help keep the lights on.

Better predictions with AI

One critical way for utilities to battle extreme weather is to better prepare themselves for disaster. Which equipment is most vulnerable to storms or heat waves? Where are the best places to position work crews with a hurricane on the way?

In the past, utilities often had to estimate those things using historical data about severe weather in the area. Enter AI, which can give a more accurate reading of storm impacts before they happen, be more precise on what materials and equipment to stockpile, and figure out what specific kind of workers will be needed, and where they should be.

AI-powered predictive models for coastal flooding could, for example, identify substations where utilities need to upgrade from copper wiring to fiber-optic cables, which are more resilient to saltwater and can be replaced more quickly if need be. AI can even help utilities understand where wires and other assets are most at risk from interference from trees and other vegetation so they can be pruned before a disaster hits.

When an emergency does strike, AI can also help with logistics in real time, analyzing real-time updates from customers, first responders, drones and more. Then it can route and schedule teams based on changing conditions.

Bolstering batteries

In recent months, utilities have been adding large amounts of battery capacity to their grids, a move that can make a huge difference in times of extreme weather.

Power companies can inject surplus flows of power into batteries at low-demand times and then discharge them to meet any sudden surge in demand during emergencies, such as heat waves. This not only keeps power flowing to customers but also protects equipment from damage due to unexpected imbalances between supply and demand—something that is much more likely during extreme weather. Batteries have played a critical role this summer and autumn keeping grids on line in California and Texas when they were threatened by heat-related brownouts.

One problem: Most of today's battery installations are lithium-ion and discharge in just a few hours—not nearly enough to help out during outages that last for days or weeks. On the horizon, though, are new technologies like iron-air long-duration batteries or zinc-hybrid batteries that can allow utilities to store enough power to last for up to 100 hours.

Meanwhile, household batteries can also help utilities in times of stress. This takes the form of a system being piloted by several major utilities around the U.S.—so-called virtual power plants or VPPs.

Here is how it works:

Utilities—or other VPP operators such as Tesla and Sunrun—contract with some customers to install battery-storage systems in their homes or businesses. These customers agree to share a portion of the electricity stored in their battery systems at certain times, and the VPP operators can then aggregate that extra electricity supplied by all of those individual batteries to support the wider grid.

In essence, the power from all of those individual batteries gets collected together and acts as one big power plant to provide the grid with needed electricity—either during times of routine fluctuation or emergency stress, like extreme weather.

VPPs have already been help-

stronger materials and use denser annealed aluminum instead of aluminum strands. The lines don't change temperature as easily or weaken during extreme conditions, so they are less likely to heat up or sag in ways that create dangerous situ-

ations during extreme weather.

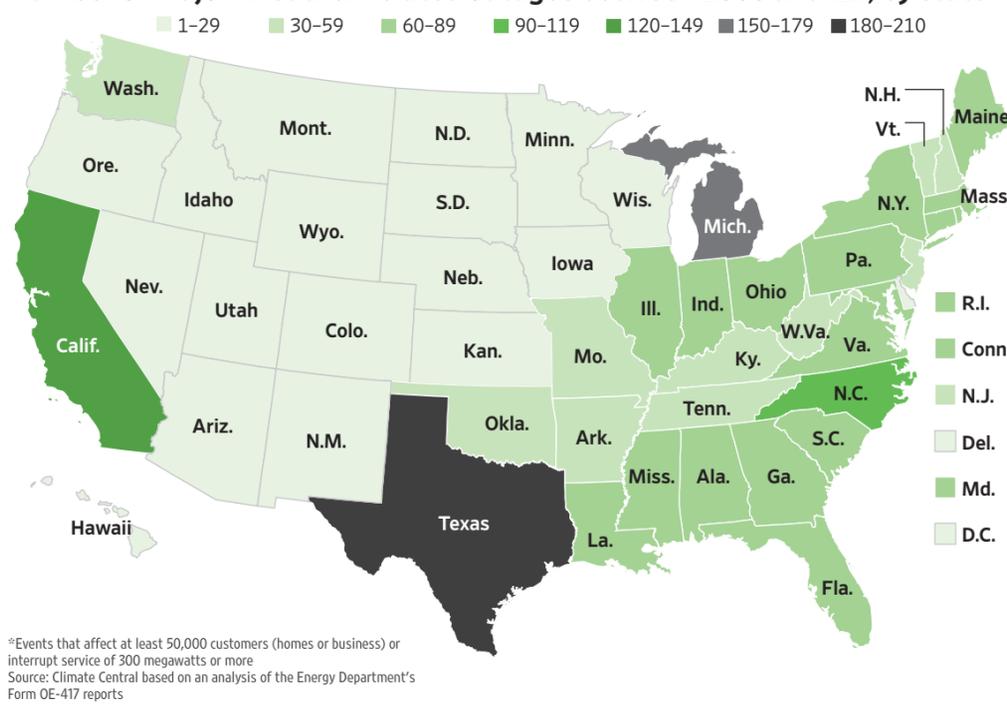
Scientists are also working on advanced superconducting materials to create wires that lose less or no electricity supply as electrons are transmitted over long distances. That will make it easier for different regions of the U.S. to draw electricity from each other to overcome outages and supplement supplies during emergencies.

Utilities are also trying to make power lines more effective during emergencies by making them smarter. Historically, utilities have been cautious about how much power to inject into power lines, often operating lines below their rated capacity, especially during times of weather stress. That way, they avoid overloading, which can lead to line overheating and possibly fire.

By using AI in real time, utilities can maximize electricity flows into wires and pinpoint when to reduce them to head off weather-re-

Scientists are working to develop wire material that will make it easier to transmit electricity over long distances.

Number of major* weather-related outages between 2000 and '23, by state



ful in California—during heat waves, for instance—and are just starting to be used in places like Florida and New England that are susceptible to extreme weather events.

Going 'island mode'

Of course, batteries can only help utilities if power lines remain intact to keep supplying electricity. They won't be much use during a severe storm where lines get completely knocked out. For such disaster scenarios, some utility customers are taking matters into their own hands by installing systems that let them go "island mode"—and operate independently of the larger grid if it goes down.

That means installing a microgrid, a self-contained power-generating system covering a small, unified area, complete with its own power-generation sources, interconnection equipment and wires. Crucially, microgrids can automatically separate themselves from the main grid—and go into island mode—the instant a problem arises. So, devices, equipment and appliances connected to the microgrid won't be damaged or destroyed by an electrical surge.

More hospitals, big-box stores and community centers are installing these grids to keep the power on in case of emergency and help their communities in the aftermath of severe weather. The U.S. Army has been deploying microgrids and aims to have them at every installation by 2035. One U.S. Marines base in San Diego can go 21 days in island mode.

Increasingly, microgrid purveyors are tapping solar and battery storage. Solar panels are built to withstand 140 m.p.h. winds and can still generate some electricity, albeit at greatly reduced efficiencies, during a severe rain event.

Better, stronger transmission lines

Some utilities are beefing up their physical transmission lines, retrofitting them with higher-performance materials. Advanced conductors like carbon fiber replace steel with lighter,



The Experts

Why Energy Efficiency Might Not Cut Emissions As Much as You Think

Many governments see energy efficiency as a key decarbonization strategy. In fact, some scenarios assume efficiency can drive approximately 40% of emissions reductions under the Paris climate accord.

For policymakers, the assumption is straightforward: Improving efficiency will lower energy consumption, which in turn reduces greenhouse gas emissions. And many prominent organizations support this assumption.

But a case can be made that strategies that rely heavily on efficiency to reduce emissions are bad bets. Historical data show that increased energy efficiency has gone hand-in-hand with more energy consumption over the long term, not less. I would argue that any decarbonization approach that fails to take this into account runs the risk of backfiring.

The paradox

The idea that more efficiency can spur more consumption rather than less is known as the Jevons Paradox. Named after the British economist William Stanley

Jevons, who first described it in his 1865 book "The Coal Question," the paradox challenges the intuitive belief that efficiency gains automatically lead to energy savings.

Critics who dismiss Jevons's idea often focus on consumer behavior. For example, it is hard to imagine that a driver would drive 50% more miles if purchasing a car that uses 50% less fuel per mile. They might drive a little more, but it wouldn't be enough to make a difference.

When you zoom out further to the global economy, however, you see that industry reacts much differently to increasing efficiency. More efficient firms generate greater profits, which leads to more investment, more production and, crucially, more energy consumption to support more food production and population. Efficiency makes it economically viable to extract and consume harder-to-reach energy resources, such as oil from hydraulic fracturing or wind from less windy areas, which then fuels the production of more machines, vehicles and industrial processes.

Consider these two questions: First, have we continually developed machines and processes that are more energy-efficient? The answer is yes.

Second, has global energy consumption continued to rise alongside this increase in efficiency? Again, the answer is yes, unequivocally so for the past two centuries.

These two points often help skeptics grasp the paradox. While efficiency isn't the sole driver of economic growth, it plays a significant role.

Faulty assumption

The real challenge comes when energy efficiency is presented as an economywide climate solution by itself. When policymakers use efficiency as a cornerstone of environmental policy without acknowledging its broader economic impact, they build their strategies on faulty assumptions.

lated problems until conditions improve. A software and sensor system of this sort is being tried in New York state. Other AI products allow for predictive maintenance, sending notifications when equipment like wires or transformers are likely to fail in the next storm, and allowing them to be fixed ahead of time.

Controlling demand

Utilities are also looking for ways to manage customer demand for electricity—something that is critical during extreme weather. In a heat wave, for instance, people tend to crank up the air conditioner and keep it running longer. All that extra usage can cause instability in the grid and lead to rolling brownouts.

The answer may lie in "smart" technology that many people are already installing in their homes. They are using thermostats that they can monitor or adjust remotely, for instance, or arrangements where an internet-connected master control system monitors and manages smart appliances, lighting and EV charging.

Some utilities are joining with smart-thermostat providers to enroll customers in plans that allow the utility to remotely adjust the temperature in their homes during times of dangerously high demand. Customers receive discounts to their electricity bills for enrolling and participating.

Eventually, such programs will go beyond thermostats to an entire range of home appliances. Customers might give their utility permission to, say, change the timing of EV charging or reschedule the use of other non-essential household appliances, to ease the strain on the grid during emergencies like powerful storms or heat waves.

Already, California sends texts to homeowners during heat events, alerting them to adjust thermostat settings and unplug EVs, hot-tub heaters and large electronics during heat events. Someday, the utilities will be able to throttle back those non-essential appliances remotely.

Fortunately, recent research is starting to properly assess the relationship between energy, efficiency and growth. Metastudies show "economywide rebound effects" can erode more than half of the anticipated energy savings from efficiency improvements, undermining its effectiveness as a climate-mitigation strategy. My own research shows that it takes about six years, on average, for improvements in energy efficiency to lead to higher overall energy consumption. Additionally, an increasing body of work suggests that economic "productivity" can largely be explained by gains in energy efficiency.

What is the takeaway for policymakers?

If growth is the goal and you want to spur more of it, then keep promoting investment in energy efficiency with no other policies to restrict profits and investment. But if the goal is to balance growth with lower greenhouse-gas emissions, you have to direct investments toward low-greenhouse-gas technologies and away from high-greenhouse-gas technologies by penalizing emissions.

Energy efficiency is a valuable tactic for improving well-being by expanding access to energy services. However, we must confront its unintended consequences. By failing to account for the rebound effect, we risk being "surprised" that efficiency ends up driving more emissions. Jevons's insights from over 150 years ago still hold today. It's time we incorporate them into climate strategies that genuinely reduce emissions—before another 150 years pass us by.

—*Carey King, research scientist and assistant director at the Energy Institute at the University of Texas at Austin, and author of "The Economic Superorganism: Beyond the Competing Narratives on Energy, Policy, and Growth."*

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How Much Do You Know About Home Solar Energy? Take This Quiz

What percentage of the electrical grid is powered by solar? How long does it take to recoup your investment in solar panels? And more. **BY SIMON CONSTABLE**

SOLAR POWER has long been at the center of the renewable-energy conversation. That's never been more true than now, as solar farms take off and more people add solar panels to their homes. But how much do you really know about solar energy in the U.S.? You can test your knowledge here:

1. What portion of U.S. electrical grid power came from solar last year?
 - A. 0.9%
 - B. 3.9%
 - C. 13.9%
 - D. 23.9%
 - E. 33.9%
2. Which state installed the most solar-energy capacity in 2023?
 - A. California

3. What federal tax credits can U.S. households get from installing solar panels on their property?
 - A. Nothing
 - B. Up to 5% of the cost
 - C. Up to 30%

- D. Up to 60%
- E. Up to 100%

4. How much of California's total electricity generation comes from solar?
 - A. 57%
 - B. 47%
 - C. 37%
 - D. 27%
 - E. 17%
5. The amount of energy from the sun's rays hitting the Earth for one hour would power the whole world for how long?
 - A. An hour

- B. A day
 - C. A week
 - D. A month
 - E. A year
6. How quickly installing solar panels on your home can pay for itself varies according to location, incentives and the cost of solar power and electricity. Which of the following locations has the fastest payback in terms of years?
 - A. California
 - B. Delaware
 - C. Texas
 - D. Utah
 - E. Washington, D.C.
 7. Solar panel prices have fallen. How much lower were prices in the U.S. in 2023 compared with 2011?
 - A. Roughly the same as in 2011
 - B. About 20% lower than in 2011
 - C. Half as much as in 2011
 - D. The data is inconclusive
 - E. Approximately 90% lower
 8. In 2020, 6% of residential solar panel systems were paired with storage batteries. What was the percentage at the end of March 2024?
 - A. 5%
 - B. 10%
 - C. 15%
 - D. 20%
 - E. 25%

9. Which U.S. state gets the lowest portion of electricity from solar power?
 - A. California
 - B. Maine
 - C. North Dakota
 - D. Utah
 - E. Wisconsin
10. How many years does it take, on average, for homeowners to recoup the costs of installing a residential solar panel system with lower-cost electricity?
 - A. One or two years
 - B. Three or four years
 - C. Five or six years
 - D. Seven or eight years
 - E. Nine or 10 years

Simon Constable is a writer in the Occitanie region of France. He can be reached at reports@wsj.com.

ANSWERS:

1. B. Solar ranks below hydro and wind power in the U.S., according to the Energy Information Administration. Two reasons for solar's low contribution are the sun shines for only part of each 24-hour period and there is a lack of suitable battery storage.

2. E. "Texas was at the top of the solar leaderboard in 2023, installing more solar than any other state," says the Solar Energy Industries Association. California remains the leading state in terms of ex-

isting solar-energy capacity.

3. C. U.S. households can recover as much as 30% of the cost through 2032 via federal tax credits. The Residential Clean Energy Credit applies to "qualified clean energy property" for your primary home in the U.S., according to the Internal Revenue Service. The IRS says there are limits. For example, you can't get a rebate that exceeds the amount you owe in taxes, although you may be able to carry forward to reduce taxes in future years. The credit percentage drops to 26% in 2033 and down to 22% in

2034. There are many state subsidies also.

4. E. Solar, with 17%, is second only to natural gas with 37%, according to the California Energy Commission. Other sources include 13% for hydro, wind 11%, nuclear 9%, geothermal 5%, biomass 2% and coal 2%. All figures are rounded.

5. E. According to the University of California, Davis, the sun has the potential to provide the world with a year's worth of energy in a single hour, or roughly

23,000 terawatts.

6. E. It takes 3.52 years in Washington, D.C., according to Energy Sage's latest data from October 2024. The company provides consumer information on switching to affordable clean energy. Its website also has details of how fast solar panels recover their cost in your neighborhood.

7. C. The average price of solar panels in 2023 in the U.S. was almost 56% less than in 2011, according to data from energy consultants Wood Mackenzie.

8. E. 25%, according to Wood Mackenzie. Benefits to homeowners include the ability to save money by harvesting solar power in the afternoon and using it in the morning, when electricity is more expensive and there is often less sunlight. The batteries also provide consumers with security for power in the event of a problem with the grid or a brownout.

9. C. North Dakota at 0.01%, says the Solar Energy Industries Association. The state benefits more from wind energy, according to Solar Action Al-

liance, which provides information on the sector.

10. D. On average it takes about seven or eight years before the investment in a residential solar project has been paid off by the homeowner's savings, according to Wood Mackenzie. The specific number will vary depending on the cost of solar installation, the amount of sunlight and the price of electricity in an individual's area. Wood Mackenzie says it finds that solar-panel installers and financiers don't tend to want to do a lot of business in areas with payback periods beyond 10 years.

To Keep Batteries From Catching Fire, Add Water

Governments and investors are funding the search for batteries that are difficult to set on fire

BY STUART CONDIE

SYDNEY—When a lithium-ion battery catches fire, it can burn hotter than a blow torch. Cluster dozens or even hundreds of them together, as utilities often do to store wind and solar power, and the risk of a fire starting—and spreading—grows. To get around that problem, some battery makers are using a special ingredient in their batteries: water. Deployment is at an early stage, but proponents believe the technology could help to prevent fires such as the one in 2021 at an Australian power-storage facility when a battery caught fire as it was being installed. The quest for water-based bat-

teries that are difficult, or impossible, to set on fire has attracted millions of dollars in government funding, as well as backing from global investors and power companies lured by manufacturers' claims of not only improved safety but also lower costs.

Smaller and lighter
Water hasn't been used in lithium-ion batteries' electrolytes—a component that is key to both the charging of the battery and the release of electricity—because the high voltage common in those batteries can pull water apart into oxygen and highly flammable hydrogen. That high voltage is needed for small, light lithium-ion batteries to provide sufficient power for devices like electric vehicles, small appliances and electronic devices. But "long-duration batteries," such as those destined to store energy generated by solar panels or wind farms, don't need to be small or light. That means lower voltages can be used, making water-based electrolytes viable. It

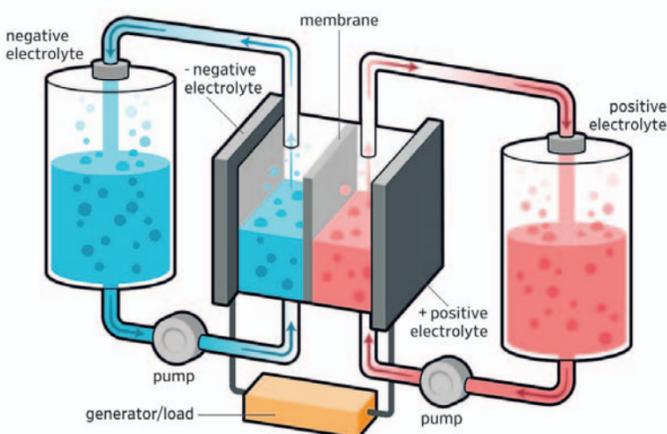
also means metals that are heavier and cheaper than lithium can be used. "The cost factor of course is important to our customers and that's usually the first thing that hooks them. But it's also not flammable," says Thomas Nann, chief executive of Australia's Allegro Energy, a maker of water-based batteries. Australia's largest power company, Origin Energy, has taken a 5% stake in Allegro and is about to start a trial of the Allegro battery. Water-based batteries already are in use elsewhere. One made by ESS Tech, based in Wilsonville, Ore., is being used in "ground-

power units," which provide electricity to planes while they're on the ground, at Amsterdam's main international airport. Water is being used in a different way by Somerville, Mass.-based Form Energy, which produces batteries that create electricity from rusting iron. Form, which recently completed construction of a factory in West Virginia, says that all its batteries' active components are submerged in a water-based, nonflammable electrolyte, eliminating fire risk. With backers including investment firms TPG and Breakthrough Energy Ventures, Form is

building a storage facility at the site of a former paper mill in rural Maine. Supported by a \$147 million Energy Department grant, the project is expected to hold enough wind- and solar-generated power to serve up to 85,000 homes.

Hurdles to clear
But it can be hard to get battery ventures off the ground, or to expand them. Australia-based Redflow won two contracts with the U.S. Defense Department for its water-based batteries but recently became insolvent after it failed to secure funding for a manufacturing plant. Higher costs from elevated interest rates and the post-Covid burst of inflation forced ESS to aggressively cut costs in an attempt to keep down product prices, which meant pushing back shipment targets as it slowed investment in ramping up production. "We had to make a decision to shift strategy and focus on driving the cost optimization of the product at the expense of volume. That's been a disappointment for some people," says Eric Dresselhuys, chief executive of ESS. The company hopes to be profitable by late 2025 or early 2026.

Flow battery and its water-based electrolyte



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Can Home Wind Turbines Take Off in the U.S.?

For now, small wind remains a niche sector. But innovations could make it more economically viable

BY JACKIE SNOW

A 100-FOOT wind turbine now dominates the skyline of Jackie Armstrong and Gary Levinson's 80-acre Iowa property. Bought by them and installed over two weeks in the summer of 2023, the turbine generates approximately 3,000 kilowatt-hours of energy a month—about three times their household consumption—in 12 mile-per-hour winds, the average wind speed in their area.

By generating their own power and selling excess energy back to the grid, the couple has cut their electric bill by a third, says Levinson, who estimates the turbine will cover its cost of slightly over \$100,000 in about 30 years.

"I've been thinking for years, 'I want to get a windmill,'" says Levinson, a retired pulmonologist. "It is helping climate change even if it isn't benefiting my pocketbook as much."

Along with rooftop solar, small wind power is part of a trend toward distributed energy—electricity generated at or near the point of use. While still a niche market compared with solar, small wind turbines are springing up in certain rural and suburban areas, attracting homeowners who have ample space and want to reduce their energy bills or contribute to a greener economy.

For now, challenges such as high upfront costs, zoning restrictions and complex permitting processes, as well as concerns from neighbors about noise and visual impact, have deterred the widespread adoption of small wind power by homeowners.

Complicating the picture further is that the efficiency and return on investment of these systems can vary greatly, depending

on average local wind speeds and utility rates.

Titanic turbines

About 10% of the U.S.'s electricity today is generated by wind, according to the Energy Department, with most of that produced by massive, utility-scale turbines that continue to grow in size.

The average commercial on-shore-wind turbine is now about 340 feet high, with rotor diameters spanning more than 400 feet, longer than a football field.

ering excess energy back for credits, or operate independently in remote off-grid locations where installing utility lines is impractical or expensive.

The small wind turbines currently installed—including those used by homeowners, businesses and municipalities—together have generating capacity of about 160 megawatts, according to Lindsay Sheridan, a wind energy analyst at the Pacific Northwest National Laboratory.

Ian Baring-Gould, a senior engineer at the National Renewable Energy Laboratory, believes dis-

sideration is available space, as most small wind turbines require at least an acre of land, he says.

To help homeowners assess their potential for wind energy, the National Renewable Energy Laboratory has developed a tool called "Wind Watts," similar to its popular "PV Watts" tool for solar energy. Wind Watts looks at a specific location and determines if there is a sufficient wind resource.

Cost can be a significant hurdle for many consumers. The average cost for small turbines was \$7,370 per kilowatt in 2023, according to Pacific Northwest National Laboratory estimates, meaning a 10-kilowatt turbine would run a homeowner around \$73,500. While a provision in the 2022 Inflation Reduction Act offers homeowners a 30% tax credit for small wind turbines, experts say the sector still lacks the kinds of

Matthew Lackner, professor of mechanical engineering and director of the Wind Energy Center at the University of Massachusetts, Amherst, points to fundamental physical constraints.

"With wind, bigger is better," Lackner says. "Power in a wind turbine goes as the wind speed to the third power," he says, meaning a 10% increase in wind speed results in 30% more power. Longer blades capture more energy, and wind speed increases with elevation, which is why Lackner says he is optimistic about continued growth of large-scale wind projects but not residential small wind.

"It makes no economic sense at a residential level," he says. "It would be like putting my solar under my deck."

Still, new companies are entering the field with innovative approaches aimed at overcoming some of these challenges. Some are exploring vertical-axis wind turbines, which spin around a central vertical shaft rather than the traditional horizontal axis.

Daniel Farb, CEO and founder of Flower Turbines, says the company's 3-foot to 20-foot high vertical-axis turbines are designed to be quieter, more bird-friendly, and visually appealing for residential use. He also says the turbines are designed to work together, improving the output of neighboring units, letting them be clustered tightly together. According to Farb, the company has both commercial and residential customers in Europe, and is looking to expand in the U.S.

Other innovations focus on making the turbines cheaper and more efficient at lower wind speeds, potentially broadening their appeal. Sonsight Wind, a greater Atlanta-based company, is developing 3.5-kilowatt wind turbines that it hopes to bring to market by spring 2026.

Sonsight's designs feature towers ranging from 45 to 70 feet tall. Devon Rocky McIntosh, Sonsight's founder, claims the company's low-wind-speed turbine design reduces the importance of height, potentially allowing installation on smaller lots of one-half to 1 acre. Crucially, the total installation cost is projected to be less than \$17,000, significantly lower than many current options.

"If we are going to have mass installations, it's going to have to be more affordable," McIntosh says.

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Jackie Armstrong mows at her home, its wind turbine in view.

The average capacity of these giants is roughly 3.4 megawatts, enough to power more than 1,000 U.S. households a day, according to the Energy Department.

Small wind turbines, by contrast, are a fraction of that size and serve different purposes. These smaller models—typically less than 120 feet tall—generally have capacities up to 100 kilowatts and provide localized power generation for homes, farms, businesses and communities. These systems can be connected to the power grid, deliv-

tributed wind's electricity-producing potential is much greater, however. He says such systems could generate thousands of gigawatts of power—if more widely deployed across the country in suitable locations.

Of course, not all properties are suitable for small wind turbines. The most critical factor is an area's average wind speed, typically measured at the proposed turbine's height. Ideal locations have average wind speeds of at least 10 miles an hour, according to Baring-Gould. The property's topography and surrounding obstacles also need to be considered—ideally there are minimal obstructions like trees or buildings. Another con-

robust financing options that are available to homeowners who want to install rooftop solar.

Innovative approaches

Small wind is playing catch-up to solar because China started flooding the U.S. market with cheap solar panels around 2010, says Michael Bergey, co-founder of Norman, Okla.-based Bergey Windpower, which has supplied more than 10,000 wind-turbine since 1977, including Levinson's. That gave solar a cost advantage, he says, driving many small-wind manufacturers out of businesses.

Some experts, though, say cost isn't wind's only obstacle.

Ways to Keep Your House Comfortable—Without Using The AC

Continued from page R1

Midori Haus in Santa Cruz, Calif.—a passive house that has no air conditioning. When Chie Kawahara and her husband decided to buy the rundown, nearly century-old bungalow in 2010, they had to undertake a major remodeling. They decided to make it as green as possible. Kawahara met Irwin of Essential Habitat at a passive-house conference and engaged him to help with the project.

They replaced the siding and blew massive amounts of insulation into the walls and under the roof to plug every gap. Old, leaky windows and doors gave way to modern ones, and a state-of-the-art ventilation system was installed to regulate the climate inside the house.

Although Santa Cruz has a relatively mild climate, summers are getting hotter, and the temperature can exceed 100 degrees at times. But, despite the lack of air conditioning, the temperature inside the house rarely exceeds 72 degrees, even during extreme temperature spikes.

Of course, not everyone can afford the kind of overhaul that was done to this house. But one element of the renovation, while still expensive, illustrates a simpler

step that many homeowners could take—shading the windows.

In the Midori Haus, that involved adding two porches to the house with retractable awnings that can be pulled out to keep the sun from shining on the lower part of the house and into the windows beneath them. Covered porches were once far more widespread than they are today, especially in the hotter regions in the U.S.

But porches aren't needed to shade a home's windows. "Another tradition that's been completely lost in the U.S. is awnings and shutters" on windows throughout a house, says Stephen Atkinson, an architect in Palo Alto, Calif. "It is such a common-sense thing to do: Protect all the glass surfaces from the sun because of the greenhouse effect"—windows allowing sunlight in and trapping the heat it produces in the building.

Other traditional ways of shading are also making a comeback in home design. Recessed windows, a key feature of adobe houses in the Southwest and the Middle East, are being integrated in designs of some new passive houses. By setting the window back, the building's facade casts shade onto the glass.

A more elaborate system of shading was designed by architect Lawrence Scarpa for the Cherokee Studios in Los Angeles, a mixed-use collection of lofts that integrate a variety of passive cooling features. The building has a double facade, with a shell of perforated anodized-aluminum panels that can be maneuvered to block out the sun or let more light in.

A cool breeze

Ventilation is also key. Atkinson, the Palo Alto architect, has tapped into his Louisiana heritage to design homes raised on stilts, a technique that not only prevents flooding but also allows cooling air to circulate beneath them. Corey Saft, professor of architecture and design at the University of Louisiana at Lafayette, is working on a



design that echoes the traditional Louisiana dogtrot house with its use of a covered breezeway running between two homes, providing shade and ventilation.

Fans can also help ventilate a home. Older buildings used to have whole-house fans under the roof that drew hot air out of the building while drawing in cooler air from outside through open windows. Most of those fans were sealed up when air conditioners became common, but they are starting to make a comeback. Architects are also building homes with higher ceilings and high vents or windows that can release hot air as it rises naturally.

Another cooling design element is a courtyard. With shade from trees and awnings, and the cool-

Cherokee Studios in Los Angeles has aluminum panels that can be maneuvered to block out the sun.



ing impact of a fountain, a courtyard can become a source of cooler air that enters the home.

How a house is oriented also is important. In hot climates around the world, builders traditionally would take into account the direction of the sun, prevailing winds and any nearby bodies of water in positioning homes to minimize the warming effect of sunlight. "If you orient a building properly, you can reduce the heat gain by 50%," Scarpa says.

Marco Petruzzi, chief executive of Dovetail Furniture, a wholesale home-furnishings company in the Los Angeles area, had a house designed and built by Scarpa's firm, Brooks + Scarpa. The house's cooling features include solar panels that double as an overhanging roof for shade, and windows positioned high to release heat from the building.

There is no air conditioning in the living quarters downstairs, only in the bedrooms for those times when Petruzzi wants to close the windows to block out the noise of a nearby highway. When the windows are open, warm air escapes through them and is replaced by cool air drawn from downstairs by that airflow.

Scarpa says architects are increasingly looking toward the past to understand how homes were designed and built before air conditioning.

"Many old houses were built well," he says. "We can't solve everything with design, but can make it tolerable 90% of the year."

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