DJIA 30199.31 **A** 337.76 1.1%

NASDAQ 12595.06 ▲ 1.2%

STOXX 600 392.84 ▲ 0.3%

10-YR.TREAS. ▼ 9/32, vield 0.921%

OIL \$47.62 ▲ \$0.63

GOLD \$1,852.30 ▲ \$23.60

EURO \$1.2155 **YEN** 103.66

EU Seeks

Oversight

Proposals aim to boost

social-media policing,

levy huge fines for

competitive abuses

European officials want new

powers to oversee internal

workings at large technology

companies such as Facebook

Inc., backed by threats of multi-

billion-dollar fines, as they seek to expand their role as global

The European Union's execu-

tive arm proposed two bills on

Tuesday—one focused on illegal

content, the other on anticom-

petitive behavior-that would

empower regulators in some

cases to levy fines of up to 6%

or 10% of annual world-wide

revenue, or break up big tech companies to stop certain com-

The bills don't mention any

specific company but, as

drafted, one or both would likely apply to several large U.S.

tech companies including Al-

phabet Inc.'s Google, Ama-

zon.com Inc. Apple Inc. and

At the same time, the U.K.,

which has exited the bloc, said

Tuesday that it is advancing

By Sam Schechner

tech enforcers.

petitive abuses.

Facebook.

Tougher

Of Tech

Firms

What's News

Business & Finance

European officials want new powers to oversee internal workings at large tech companies, backed by threats of multibillion-dollar fines, as they seek to expand their role as global tech enforcers. A1 ◆ Twitter was fined under the EU's current privacy law, a first for a U.S. tech firm in a cross-border case since the

◆ Mnuchin suggested he was unlikely to support a consent order to end the government conservatorships of Fannie and Freddie before Trump leaves office. A2

rules went into effect. B4

- ◆ U.S. stocks rallied, with the S&P 500, Nasdaq and Dow advancing 1.3%, 1.2% and 1.1%, respectively. **B12**
- **♦ High-frequency** traders are using an experimental type of cable to speed up their systems by billionths of a second, the latest move in a technological arms race. B1
- **♦** VW shares jumped Tuesday after top shareholders and union leaders publicly backed CEO Diess's strategy of refocusing on electric vehicles. B1
- ◆ Credit Suisse's new CEO said wealth management will be a priority for the bank, setting a target for improved profits from that activity. **B1**
- ◆ Condé Nast named Anna Wintour its first-ever global chief content officer as part of the company's push to unify its international and U.S. operations. **B3**
- ◆ China's economic activity extended its momentum last month with a broad recovery as the country approaches the end of a tumultuous year. A9

World-Wide

- ◆ The FDA said the Covid-19 vaccine developed by Moderna was highly effective, setting the stage for an emergency authorization later this week that would add a second shot to the arsenal against the pandemic. A1
- **The EU's** chief arug regu lator will accelerate its review of a Covid-19 vaccine after coming under pressure from some governments to authorize the shot. A7
- **♦** Congressional leaders said they were coming closer to reaching an agreement on
- another virus relief package, after months of fitful efforts to approve more aid. A2
- ◆ **Jihadist group** Boko Haram said it had seized students from an all-boys school in northwest Nigeria to punish them for what it called un-Islamic practices. A1
- ♦ Senate Republican leaders united in calling Democrat Joe Biden the winner of the presidential race, while warning colleagues not to join a long-shot bid to challenge the results in
- Congress in January. A4 ◆ Biden chose one of his former Democratic primary rivals, Pete Buttigieg, to lead the Trans-
- portation Department. A4 ◆ The president-elect plans to tap ex-Michigan Gov. Jennifer Granholm as Energy chief and ex-Obama administration EPA chief Gina McCarthy as national climate adviser. A4
- ♦ Mexico's ruling party pushed through a new law curbing the role of foreign law-enforcement officers stationed in Mexico. A9

CONTENTS Personal Journal A13-14 Arts in Review... A15 Property Report... B6 Business News..... B3 Sports. Technology... Crossword..... A16 U.S. News R10 A2-7 Heard on Street. B14 A17-19 World News..... A8-9



Holiday Lockdown Looms in London as Cases Surge



IN LIGHTS: London taverns like the Churchill Arms prepared for new restrictions that will take effect Wednesday, limiting restaurants and pubs to takeaway and delivery. The move followed a surge in Covid-19 cases in the U.K. capital.

FDA Sets Stage to Authorize Moderna's Covid-19 Vaccine

By Thomas M. Burton AND PETER LOFTUS

The Food and Drug Administration said the Covid-19 vaccine developed by Moderna Inc. was "highly effective," setting the stage for an emergency authorization later this week that would add a second vaccine to the arsenal against the pandemic.

The agency on Tuesday posted online documents, prepared by its staff and by Moderna, analyzing the safety and effectiveness of the vaccine in a large clinical study. The findings will go before an independent advisory panel that will vote on Thursday on whether to recommend FDA authorization.

Barring complications, the FDA is aiming to authorize emergency use of the Moderna vaccine on Friday, following the same timetable as last week with the Covid-19 vaccine, from Pfizer Inc. and BioNTech SE.

Moderna's analysis, posted

by the FDA, also included new data suggesting the first dose of its vaccine can reduce infections that don't cause symp-

If this finding holds up in further analysis—including after the second of the two-dose regimen—it could mean the vaccine not only protects individuals from disease, but also curbs transmission of the virus from person to person.

A vaccine that prevents asvmptomatic infections and curbs viral transmission could hasten the end of the coronavirus pandemic, if enough people get vaccinated. "If we could demonstrate

that they reduce transmission, that would accelerate the time when we can take off our masks and go back to a more Please turn to page A6

- ◆ Leaders move closer to Covid-19 relief pact..
- ◆ Challenges await Biden's

similar legislation covering what it calls "online harms." It would require social-media Please turn to page A2

◆ Twitter fined in Europe over

- data breach.... ◆ Heard on the Street: New
- rules will bite, eventually... B14

Nigerian **Jihadists** Re-emerge With Mass Abduction

By Joe Parkinson AND GRENGA AKINGRILLE

MAIDUGURI, Nigeria—Six years after the abduction of 276 schoolgirls ignited the #BringBackOurGirls campaign, Nigeria is again reeling from a mass kidnapping, this time of more than 300

group Jihadist Boko Haram on Tuesday said it had seized students from an allboys boarding school in Katsina, in northwest Nigeria, to punish them for "un-Islamic Local practices." officials said 333 of the school's 800 students were missing and assumed captive, a number some analysts say could mark one of the largest mass kidnappings schoolchildren in history. Nigerian surveillance aircraft and American drones have been dispatched over the sprawling forest where survivors say the captors forced them to march.

One of the students who escaped the captors-17-year-old Usama Male—said the abduction began just after 10 p.m. on Friday. Dozens of men in military fatigues shooting Kalashnikovs into the air poured into the sand-caked school campus and ordered the entire student body to march into the forest. After almost two days of walking in a hundredsstrong column with no food and little water, he was one of the lucky few who escaped.

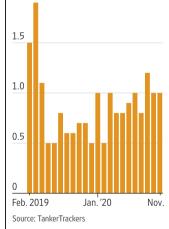
"They said they would kill whoever tried to flee, but I positioned myself near the back and waited for a chance to run," he said, sitting alongside his father. Aminu, in the town of Kankara. "Hundreds of my fellow pupils are still in captivity somewhere in the forest."

Please turn to page A8

Sanctions Fail To Curb Iran Oil

Crude exports have climbed, providing a lifeline to the country's economy. A8

Iran's average crude and condensates exports



Teacher Shortage Worsens Pandemic Woes in Schools

Administrators scramble to staff classrooms; 'it's all hands on deck'

By Valerie Bauerlein and Yoree Koh

PHOENIX—As if the pandemic weren't disruptive enough, many American schools are facing a growing shortage of teachers. School districts are recruiting parents as

substitute teachers, online class sizes are soaring to 50 children or more and bus drivers are baby-sitting classrooms. Some are considering allowing asymptomatic teachers who were exposed to Covid-19 to continue to show up.

Public-school employment in November was down 8.7% from February, and at its lowest level since 2000, according to the Bureau of Labor Statistics.

That includes teachers who quit, retired early or took leaves of absence due to the pandemic, and layoffs of support staff such as teachers' aides and clerical workers. The

staffing crunch leaves teachers educating children in person and online simultaneously, deep-cleaning their own classrooms and taking turns as crossing guards.

The consequences are burnout for teachers, frustration for parents and scant progress for students.

The shortage isn't uniform nationwide, but rather concentrated in some regions and specialties. More than 40 states reported shortfalls in math, science and special education in 2018, but fewer states reported shortages in elementary grades, according to the latest federal data. There are shortages in some cities with a high cost of living and some rural areas with low teacher pay.

Nowhere is the impact more stark than Please turn to page A12

◆ Schools speed up internet for rural students... A14

Well-Employed During the Crisis: Landscaping Goats

Hired for their insatiable love of weeds, they're able to work through lockdowns

By Konrad Putzier

Candace Thompson, manager of the Stuyvesant Cove Park in lower Manhattan, was pulling on a giant bindweed one day when a woman eating lunch nearby offered some advice.

"She went, 'You need goats,' " Ms. Thompson remembers. The park man-

ager was intrigued. She placed an order for 20 of the animals, which arrived in early September

in a trailer from Rhinebeck, N.Y. Two and a half days later, most of the weeds were gone.

Goatscaping, as this trick is called, has grown in popularity in recent years as an environmentally friendly way to clear overgrown lots. Covid-19

has boosted the demand. Goats can be on the job during lockdowns. Ms. Thompson turned to goats after New York City's spring restrictions forced the park's usual group of volunteers to stay home and left it full of

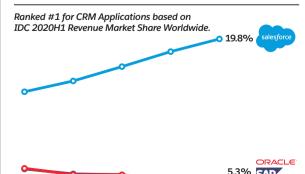
weeds. Goats at work also offer instant

entertainment for children stuck at home during relearning. mote When Lansing Davis of Mill Valley, Calif., hosted three goats from Sep-

tember to early December on his 2-acre property, his daughters aged 4, 7 and 9 were excited to have them and got to know their different personalities, while neighborhood kids fed them through the fence.

Please turn to page A12

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Source: IDC, Worldwide Semiannua Software Tracker, October 2020.

salesforce.com/number1CRM

U.S. NEWS

Leaders Move Closer to Covid-19 Relief Pact

AND ANDREW DUEHREN

WASHINGTON-Top congressional leaders said they were coming closer to reaching an agreement on another coronavirus relief package, broadcasting progress after months of fitful efforts to approve more aid.

House Speaker Nancy Pelosi (D., Calif.), Senate Majority Leader Mitch McConnell (R., Ky.), Senate Minority Leader Chuck Schumer (D., N.Y.) and House Minority Leader Kevin McCarthy (R., Calif.) met repeatedly on Tuesday, the group's first meeting in weeks. Lawmakers are hurrying to craft another aid package this week, before the holidays and the expiration of several key aid provisions.

"We're making significant progress and I'm optimistic that we're gonna be able to complete an understanding sometime soon," Mr. McConnell said Tuesday night.

The group met in the afternoon and reconvened in the evening.

"We're exchanging paper and ideas back and forth, making progress and hopefully we can come to an agreement soon," Mr. Schumer said.

Treasury Secretary Steven Mnuchin, who spoke to Mrs.



Senate Minority Leader Chuck Schumer expressed hope Tuesday night that an agreement can be reached soon.

Pelosi earlier Tuesday for more than an hour, also joined the meeting by phone.

We're continuing to work. I think there's progress. We'll get back together," Mr. McCarthy said following the afternoon meeting.

The talks were held one day

after a bipartisan group of lawmakers largely wrapped up their work on a compromise coronavirus-relief proposal. That agreement included an extension of unemployment insurance and funding for schools, vaccine distribution and small businesses, among

other provisions.

But the bipartisan coalition came up short in its efforts to reach a broad deal on the thorniest issue: liability protections for businesses and other entities operating during the pandemic. Instead, lawmakers released a \$748

billion bill bundling together many of the less controversial proposals but excluding liability protections backed by Republicans and \$160 billion in state and local aid sought by

GOP leaders said last week that Congress should end the

U.S. WATCH

standoff by leaving out the liability provisions and state and local aid and proceeding with the other relief mea-

Ahead of the meeting with other top leaders, Mr. McConnell repeated his call to omit the two issues from the bill, pointing toward another relief bill under the coming Biden administration as another opportunity to address them. He said the Senate wouldn't leave Washington until the two par-

"We all know the new administration's going to be asking for yet another package. It's not like we won't have another opportunity to debate the merits of liability reform and state and local government in the very near future," Mr. McConnell said.

ties reached a deal.

Sen. John Cornyn of Texas. a member of Senate GOP leadership, said the decision to split off the more controversial issues indicated an awareness that only the bill with wide consensus had a path to becoming law.

"It is just my impression on the way that the negotiating group has separated those two issues-it seems to take Sen. McConnell's advice and leave those to the side and do what we can," Mr. Cornyn told reporters.

Fannie, Freddie Revamp Derailed

By Andrew Ackerman

WASHINGTON—Joe Biden's victory has likely ended the Trump administration's efforts to return Fannie Mae and **Freddie Mac** to private hands.

Treasury Secretary Steven Mnuchin suggested in an interview he is unlikely to support a legal move—a consent order—to end the government conservatorships of the mortgage-finance companies before President Trump leaves office.

"We're going to not do anything that jeopardizes taxpayers and puts them at additional risk," Mr. Mnuchin said. "We also want to be careful that we don't do anything that overnight would limit access to mortgage finance."

Mark Calabria, the Trumpappointed regulator of the companies, was pushing as recently as last month to speed up the mortgage giants' exit from government control before Mr. Biden's inauguration.

Mr. Mnuchin said he is focused on steps that would alcapital to absorb future losses and eventually raise money from new, third-party investors. "The real issue is how do you get them out of conservatorship? " he said. "You need to raise third-party capital and vou need to retain capital. That's, to me, the issue.' The companies are allowed

to retain just \$45 billion of earnings between them and are expected to hit that limit in early 2021—far from the roughly \$280 billion they could need under a plan completed by their regulator, the Federal Housing Finance Agency.

Before leaving office, the Trump administration is likely to let Fannie and Freddie retain more of their own earnings, Mr. Mnuchin suggested, without detailing how much more.

Advisers close to Mr. Biden said he would be in no hurry to privatize the companies. Instead, he would focus on ways to use them to boost housing affordability and promote homeownership.

Fannie and Freddie don't make home loans. Instead. they buy mortgages and package them into securities, which they sell to investors. Their low the companies to build promise to make investors whole in case of default keeps down the price of home loans and underpins the popular 30year fixed-rate mortgage.

CENSUS BUREAU

U.S. Population Rises Above 332 Million

The U.S. population has grown about 8% over the past decade to more than 332 million people, according to a Census Bureau analysis released before the results of the decennial count.

The figures published Tues-

day are separate from those gathered by the 2020 census that wrapped up in October. They are a parallel estimate of the population's demographic contours using records of U.S. births, deaths, immigration and Medicare enrollment that is designed to act as a quality check on the actual census results. That estimate showed there were about 332.6 million people in the U.S. on census day, April 1, according to the midpoint figure from the bureau's demographic analysis. The median age in the country was 38.5 years as of that day, up from 37.2 in 2010.

—Janet Adamy

ECONOMY

Auto Sector Boosts Industrial Production

A seventh straight month of manufacturing gains helped drive a November rise in U.S. industrial production as the nation's auto and parts plants increased

Industrial production, a measure of factory, mining and utility activity, increased a seasonally adjusted 0.4% in November from the prior month, the Federal Reserve said Tuesday, as both manufacturing and mining posted

gains. Manufacturing, the biggest component of industrial production, increased 0.8% in November, the Fed said. Production of motor vehicles and parts rose 5.3%

Industrial production decreased sharply in March and April as the coronavirus pandemic took hold in the U.S., but has gradually recovered in subsequent months. The pace of gains slowed in late summer and into the fall, however, and output overall in November remained 5% below February levels, according to the Fed.

–Amara Omeokwe

NEW JERSEY

Gun Maker Sues To Block Subpoena

Smith & Wesson Brands Inc. filed suit Tuesday to block a subpoena from the New Jersey attorney general seeking information about its advertising practices. New Jersey Attorney General

Gurbir Grewal wants the company to turn over internal documents related to advertising guns in the state. The subpoena includes requests for any marketing claims that its guns are safer than others. that carrying a concealed weapon enhances a person's lifestyle, and that novices can use its guns effectively for self-defense. The company's lawyers said in

its complaint, filed in federal court in New Jersey, that the subpoena "seeks evidence of consumer fraud relating to advertising-but in reality, it seeks to suppress and punish lawful speech regarding gun ownership in order to advance an anti-Second Amendment agenda that the Attorney General publicly committed to pursue."

–Zusha Elinson

EU Seeks More Tech Oversight

Continued from Page One companies and search engines to take measures to prevent a range of illegal or potentially harmful material from spreading on their platforms, or face fines of up to 10% of annual global revenue. The U.K. is also pursuing new competition rules for dominant online platforms, including powers to suspend, block or reverse tech giants' decisions and impose fines for noncompliance.

Together, the two strands of legislation amount to the biggest potential expansion of global tech regulation in years. They aim to update decadesold laws that have largely shielded tech companies from liability for their users' activities. The measures would also create a new set of competition rules for a cadre of digital giants that have been accused of wielding their control of online marketplaces to entrench their own positions and snuff out competitors. "We need to make rules that can bring order into chaos," Margrethe Vestager,

the EU's digital-policy and antitrust czar, said Tuesday.

The EU's pair of proposals will now begin months or years of haggling over their scope and details. Each bill must be approved by both the European Council, representing the bloc's 27 national governments, and the directly elected European Parliament to become law.

Tech companies reacted cautiously to the new proposals, which still could be reshaped or scrapped. Previously, some have warned against creating a new set of competition rules that could hobble innovation, or onerous content-moderation obligations that could push companies to remove legal content, stifling free expression.

But Facebook, which has complained about Germany's content-moderation rules, said on Tuesday that it welcomed harmonization of EU rules on the issue. The proposals are "on the right track to help preserve what is good about the internet," Facebook said.

Karan Bhatia, Google's vice president of government affairs and public policy, said he is concerned the proposals "appear to specifically target a handful of companies and make it harder to develop new products to support small businesses in Europe."

An Amazon spokesman de-

clined to comment but pointed to a blog post in which the company said the bloc should ensure "the same rules apply to all companies."

One victory for tech companies is that the EU proposal keeps the basic liability shield protecting digital intermediaries from responsibility for the content on their services provided they make good-faith efforts to address problems. But the proposals add increasing layers of obligations for online

The proposals will begin months or years of haggling over their details.

intermediaries, based on their role in the digital ecosystem and their number of clients.

The European legislative proposals provide a counterpoint to similar discussions in the U.S.. where the industry's similar liability shield faced criticism from lawmakers. But prospects for a competition-law overhaul in Washington remain unclear. In October, a Democratic-led House panel suggested several legislative changes to rein in the power of big tech platforms.

One of the EU's two proposed bills, the Digital Services Act, would require large tech platforms that reach more than 10% of the EU's population each month to actively look for and mitigate risks from illegal content and goods available via their services. It would require yearly external audits and impose new transparency requirements. Large platforms could be ordered to change their behavior following such audits and could face significant fines.

The Digital Services Act would also empower regulators to apply local laws on illegal content. A city that requires home rentals to be registered could, for instance, order a home-sharing app to remove a listing for an unregistered property or demand information about a host who isn't paying taxes, an EU official said.

The other EU bill, the Digital Markets Act, would preemptively ban certain behavior by what it deems to be gatekeepers-defined as companies with European revenue of at least €6.5 billion, equivalent to about \$7.9 billion, or a market capitalization of at least €65 billion (some \$79 billion), and which serve more than 10.000 active business customers and 45 million active end users in the bloc.

contributed to this article.

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CORRECTIONS ゼ AMPLIFICATIONS

William Barr will resign as attorney general on Dec. 23. In some editions Tuesday, a Page One article about Mr. Barr's resignation incorrectly referred in one instance to his

The S.S. Central America, known as the Ship of Gold. sank in 1857. A U.S. Watch article in some editions Tuesday about a former deep-sea treasure hunter's confinement for contempt of court incorrectly said it was the S.S. America.

Screenwriter Zonder's last name was misspelled as Zonda in one reference in a Personal Journal article Thursday about Israeli

Notice to readers Wall Street Journal staff

television dramas.

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

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Retail Founder Charged With Sex Trafficking

By BEN CHAPMAN

Canadian fashion and retail mogul Peter Nygard was charged with sex trafficking and racketeering, according to an indictment unsealed in Manhattan federal court on Tuesday.

He was arrested Monday in Canada, according to prosecutors in the U.S. attorney's office for the Southern District of New York.

Federal prosecutors accused him of years of criminal conduct involving dozens of victims in the U.S., Canada and the Bahamas. He faces nine criminal charges.

Mr. Nygard, 79 years old, previously has denied the allegations, and on Tuesday declined through a spokesman to comment on his arrest. His lawyer also declined to comment through the spokesman.

Mr. Nygard appeared in a court in Winnipeg on Tuesday afternoon, where his lawyer asked for a publication ban to prevent certain information from being made public in the proceeding.

Justice Sheldon Lanchbery denied the request, and set a January date for an administrative hearing, according to a court spokeswoman.

Mr. Nygard's lawyer is expected to make a bail application, but no formal request has yet been filed, the spokeswoman said.

Mr. Nygard founded privately held Nygard International in Canada in 1967. He stepped down as chairman of the apparel company in February after federal and local au-

thorities raided the company's Manhattan office as part of an international sex-trafficking investigation.

Representatives for the company didn't respond to a request to comment.

Nygard International filed for bankruptcy in March. In April a Canadian judge allowed an accounting firm to sell and liquidate part of the company.

Before filing for bankruptcy, the company had about 1,450 employees and operated 170 of its own stores in North America and more than 6,000 shops inside department stores.

Nygard International also operated a number of clothing lines, including SLIMS, TanJay and a label named for Mr. Nygard.

Prosecutors accused Mr. Nygard of using his company's influence, as well as its employees and funds, to recruit and maintain a stream of adult and minor-aged female victims for his sexual gratification, and that of his friends and business associates.

Mr. Nygard is accused of frequently targeting women and girls who came from disadvantaged economic backgrounds and had a history of abuse, prosecutors said. He allegedly controlled his victims through threats and false promises of career advancement, prosecutors added.

He is also being sued in a Manhattan federal court by women accusing him of rape, sexual assault and human trafficking.

The class-action lawsuit was filed in February by 10



A picture of Peter Nygard in one of his New York City stores in February. The Canadian retail mogul was arrested on Monday.

unnamed female plaintiffs. Dozens of additional women have since been added to the complaint.

Lawyers for Mr. Nygard have said in court papers that the lawsuit's allegations are false. The lawyers also accused financier Louis Bacon of funding the lawsuit "to inflict devastating harm on Mr. Nygard and the Nygard businesses.'

According to the filing, Mr. Bacon and Mr. Nygard have had a decadelong dispute involving neighboring vacation homes in the Bahamas.

Representatives for Mr. Ba-

con declined to comment on the arrest of Mr. Nygard.

Greg Gutzler, a plaintiff attorney in the civil suit, said in a statement that Mr. Nygard's criminal indictment validates the accusations of the plain-

"On behalf of the dozens of survivors of decades-long abuse, we are encouraged that a small measure of justice for Peter Nygard is finally developing, and relieved that some degree of accountability is hopefully forthcoming," Mr. Gutzler said.

> —Vipal Monga contributed to \bar{t} his article.

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White House Aide Returns To Address Agency Hacks

By Dustin Volz

WASHINGTON-White House national security adviser Robert O'Brien has cut short a multicountry trip to Europe to return to the U.S. to address the suspected Russian hack of government agencies, signaling growing alarm within the Trump administracampaign considered potentially one of the most damage wing in years tion about a cyber espionage ing in years.

The change of plans for Mr. $\overline{\lesssim}$ O'Brien comes two days after ₹ it was disclosed that multiple federal agencies had been hacked as part of a global hacking campaign that is believed to have also ensnared private corporate networks across the globe.

"Ambassador O'Brien is returning to address the hacking incident," said John Ullyot, a spokesman for the National Security Council. Mr. O'Brien was to hold meetings Tuesday evening and Wednesday morning and convene "a high-level interagency meeting" week, Mr. Ullyot said.

Mr. O'Brien had been scheduled to return Saturday after planned stops in Italy on Tuesday and visits later in the week to Germany, Switzerland and the U.K. He had already met with Prime Minister Benjamin Netanyahu in Israel and President Emmanuel Macron in France.

The hacking continued for months, largely undetected by the Trump administration and cybersecurity firms, until the past week, according to people familiar with the mat-

Current and former officials and cybersecurity experts have described the hack as an espionage operation rather than one aimed at damaging computer networks, and said it represents a significant counterintelligence failure.

The widespread hacking campaign appeared to have begun when hackers compromised systems belonging to SolarWinds Corp., a U.S. network management company that boasts national security agencies, local governments, large corporations and defense contractors among its 300,000 customers.Investigators are trying to piece together how



Investigators Probe SolarWinds Breach

Investigators are trying to piece together how suspected Russian hackers gained access to systems at SolarWinds Corp., a U.S. network management company, to introduce malicious code that compromised security at multiple federal agencies.

As early as March, Solar-Winds customers unwittingly installed malicious software as part of a routine and seemingly benign update issued for a software product known as Orion, according to the company. That update, which would have been difficult to identify as a threat, contained what investigators called a back door that could have

granted easy access to nearly 18.000 entities that downloaded it. Investigators expect the number of compromised entities to be smaller, perhaps totaling dozens or hundreds.

SolarWinds has said it is working with FireEye Inc., a U.S.-based cybersecurity firm that was also breached in the hacking campaign, and with intelligence and law-enforcement officials to investigate.

Several agencies have confirmed intrusions into their internal systems, including the departments of State, Commerce, Treasury, Homeland Security and the National Institutes of Health, according to people familiar with the matter.

The Russian Embassy in Washington denied responsibility, saying the allegations were "unfounded attempts of the U.S. media to blame Russia."

the hackers gained access to SolarWinds systems to introduce malicious code.

On Tuesday, investigators were still in the early stages of understanding the scope of the SolarWinds hack, but several agencies have confirmed intrusions into their internal systems, including the departments of State, Commerce, Treasury, Homeland Security and the National Institutes of Health, according to people fa-

miliar with the matter. To streamline the federal response across agencies, the National Security Council has activated what is known as a Unified Coordination Group "to ensure continued unity of effort across the United States

Government in response to a significant cyber incident," the council said on Twitter.

The seriousness of the hack has prompted bipartisan scrutiny from Congress.

On Tuesday, three Republican and three Democratic senators jointly asked the Federal Bureau of Investigation and the Cybersecurity and Infrastructure Security Agency to provide information on the hack investigation. They are seeking a list of all federal agencies that are customers of SolarWinds and how the agencies intend to support businesses that may have been

The FBI and CISA didn't immediately comment.

Texas Taps Firms as It Prepares Lawsuit Vs. Google

By John D. McKinnon

WASHINGTON—Texas's attorney general said Tuesday he is hiring two prominent law firms to handle a possible antitrust case against Alphabet Inc.'s Google, a signal that the filing of a lawsuit is likely imminent.

Texas has been leading a coalition of state attorneys general that has been zeroing in on Google's dominant presence in the digital advertising market, according to people familiar with the matter as well as a civil subpoena sent last year by Texas Attorney General Ken Paxton.

Mr. Paxton said he intends to hire the Lanier Law Firm, a prominent trial firm with Texas roots, as well as Keller Lenkner, a Chicago-based firm focused on complex litigation.

"Texas law requires the Texas Attorney General's Office to notify the [Legislative Budget Board] prior to retaining outside counsel for such actions," Mr. Paxton said in a statement. "That notification has occurred."

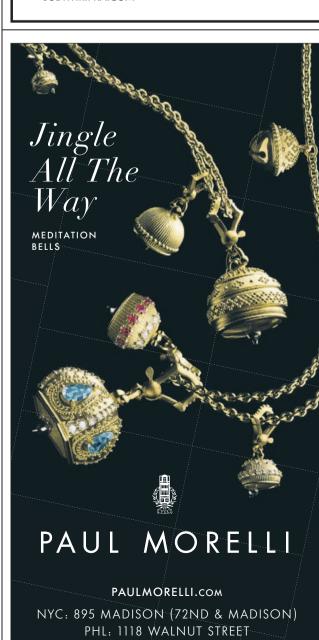
A Google spokesperson declined to comment.

Google has denied any anticompetitive behavior, saying it operates in highly competitive markets and that its services benefit consumers and businesses.

Google's ad-tech business consists of software used to buy and sell ads on sites across the web. The company owns the dominant tool at every link in the complex chain between online publishers and advertisers, giving it unique power over the monetization of digital content.

Many publishers and advertising rivals have charged that it has tied these tools together and to its owned-andoperated properties, such as search and YouTube, in anticompetitive ways.

The states have been coordinating with the Justice Department, which filed an antitrust lawsuit against Google on Oct. 20.



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U.S. NEWS

Leaders Warn GOP on Vote Challenge Eases Ban

Top Republicans unite in accepting Biden win, tell colleagues not to join new move

By LINDSAY WISE AND SIOBHAN HUGHES

WASHINGTON-Senate Republican leaders united Tuesday in calling Democrat Joe Biden the winner of the presidential race, while warning colleagues not to join a longshot bid to challenge the results when Congress certifies electoral votes in January.

"Our system of government has processes to determine who will be sworn in on Jan. 20. The Electoral College has spoken," said Senate Majority Leader Mitch McConnell (R., Ky.). "So today, I want to congratulate President-elect Joe Biden."

Mr. McConnell was the latest in a series of top Republicans to recognize Mr. Biden as president-elect this week. His comments came a day after the Electoral College formally counted the ballots and capped more than a month of unsuccessful GOP efforts to get courts and state officials to overturn the election re-



Mr. McConnell recognized Democrat Joe Biden as president-elect.

President Trump.

Mr. Biden said he called Mr. McConnell to thank him on Tuesday and pledged to seek areas of common ground.

Other Republican lawmakers still hope to contest the results at a joint session of Congress on Jan. 6, when federal law requires Congress to count and certify the results of each state's electoral vote. Rep. Mo Brooks (R., Ala.) said he would press ahead with a plan to object to votes in multiple states.

It takes one member of the sults in favor of Republican House and one senator to for-

mally object and force votes in both chambers.

Majorities in the House and Senate have to agree for the challenge to be successful, an extremely unlikely prospect given that Democrats control the House, but the effort could set the stage for a final public fight over the tally.

"I can either fight for honest and accurate elections, or I can join the surrender caucus," Mr. Brooks said in an interview on Tuesday. "I prefer to fight for honest and fair and accurate elections that are the underpinning of any republic."

Incoming Rep. Marjorie Taylor Greene (R., Ga.) is among the lawmakers also trying to recruit senators to challenge the electoral results, said a person familiar with the efforts. "She's talking to every Republican senator to gain support for this effort," the person said.

House Minority Leader Kevin McCarthy (R., Calif.) didn't comment Tuesday when asked if he is willing to acknowledge that Mr. Biden won the election and is president-

Attorney General William Barr, who submitted his resignation Monday effective Dec. 23, has said the Justice Department hasn't found evidence of widespread voter fraud that could reverse Mr. Biden's election victory.

Democrats said Mr. McConnell's acknowledgment was overdue.

"The fact that it took six weeks for my colleagues to start recognizing reality and stop undermining our democratic process is sad and disappointing," said Sen. Dick Durbin of Illinois.

In a Senate Republican conference call on Tuesday, leaders warned their colleagues against challenging the results on Jan. 6, according to a person famil-

Mr. McConnell, Sen. John Thune (R., S.D.), and Sen. Roy Blunt (R., Mo.) each spoke, arguing that it would be a bad vote for senators running in 2022.

Both Mr. Thune and Mr. Blunt are up for re-election in two years. "They don't want to be viewed as against Trump," the person familiar with the call said.

Senate GOP aides said the concern is that the vote would be seen by Mr. Trump's base as a test of loyalty, even if it had no chance of success, and Republican lawmakers who don't support the effort could face anger from the president's supporters and potential primary challenges.

White House press secretary Kayleigh McEnany declined to say Tuesday whether President Trump accepted the Electoral College vote. "Yesterday's vote was one step in the constitutional process," she said.

The White House was made aware that Mr. McConnell, who also praised the president's record in his remarks, would be conveying the message he delivered, said two people familiar with the process.

. -Catherine Lucey contributed to this article.

On Politics In Runoffs

By Emily Glazer AND PATIENCE HAGGIN

Facebook Inc. said it would allow political ads for the Georgia runoff elections starting Wednesday but would maintain a broader temporary blackout for U.S. ads about social issues, elections or politics as part of its efforts to curb misinformation.

Facebook's decision, which follows a similar move by Alphabet Inc.'s Google, said Tuesday that it took into consideration feedback from experts and advertisers about using its tools to reach voters ahead of the two U.S. Senate runoff races in Georgia on Jan. 5. Early voting began in the state this week, and the runoffs will determine which party controls the chamber when President-elect Joe Biden begins his administration.

Facebook said it developed a process to allow advertisers to reach Georgia voters about the runoffs and to reject ads that target locations outside the state or that don't relate to the elections there.

"We will continue to prohibit any ad that includes content debunked by third-party fact-checkers or delegitimizes the Georgia runoff elections," Facebook wrote in a blog post Tuesday. A Facebook spokeswoman said the company would announce publicly when its broader blackout for political ads is lifted.

Facebook and Google are the biggest digital ad platforms in political advertising. Campaigns for President Trump and Mr. Biden collectively spent about \$200 million on Facebook ads leading up to the 2020 election, not including outside groups, according to Facebook's ad library. But both platforms decided to limit political ads before and after the general election in an effort to reduce

the spread of misinformation. Google, which started allowing political ads last week, said it no longer considered the postelection period to be a "sensitive event" but is still enforcing its ads policies and disallows false information that could undermine trust in elections.

Spokespeople for Democratic Senate candidates Jon Ossoff and Raphael Warnock, along with the Democratic Senatorial Campaign Committee, have said the earlier decisions to ban political ads put them at a disadvantage. They cited the Republican incumbents' larger followings, saving they could share information more easily via their

Buttigieg Is Selected to Lead Transportation

By Ken Thomas AND ELIZA COLLINS

WASHINGTON—Presidentelect Joe Biden selected former South Bend, Ind., Mayor

Pete Buttigieg, a onetime Democratic primary rival, to lead the Transportation Department, Mr. Biden said Tues-Mr. Buttigieg dropped out of the race in March and en-

dorsed Mr. Biden along with other moderate Democrats. Leading the Transportation Department, Mr. Buttigieg is expected to play a prominent role in the incoming Biden administration's push to rebuild the nation's roads and bridges. ≧ Mr. Buttigieg, a 38-year-old ≥

openly gay military veteran who served in Afghanistan, emerged as a surprising nextgeneration contender for the Democratic presidential nomination against Mr. Biden and 🗟 notched a narrow victory in the Iowa caucuses. But that win was overshadowed by \\ \\ \\ \ technical glitches and reporting delays in the caucuses and he faded in the contests that followed.

Mr. Buttigleg served as a two-term mayor of South Bend from 2012 to 2020, making urban development and economic revitalization cornerstones of his administration.

Mr. Buttigieg has spent the last several months campaigning for Mr. Biden and more re-



Former South Bend, Ind., Mayor Pete Buttigieg is expected to play a big role in Mr. Biden's push to rebuild the U.S.'s roads and bridges.

Biden administration. Mr. Buttigieg, who represented a city of about 100,000 people, beat out several others with experience dealing with much larger transportation systems. including Los Angeles Mayor Eric Garcetti and Sarah Feinberg, the acting president of

matter said. Mr. Biden's transition team

declined to comment. Mr. Biden campaigned on a \$2 trillion plan to rebuild the nation's infrastructure, much of it related to transportation. Among the campaign's boldest proposals was a call for "high-

cently was under consider- New York City's transit sys- quality, zero-emissions" mass of the coronavirus pandemic. ation for several roles in the tem, people familiar with the transit for every U.S. city with 100.000 or more residents. But it isn't clear how the Biden administration would persuade Congress to fund such an effort, especially given current resistance to financial relief packages for mass-transit systems as they struggle with a collapse in ridership because

Mr. Buttigieg would take over a department whose most critical functions are setting transportation regulations and distributing vast sums of money, mostly to states to fund their respective highway,

road and transit systems. Tim Puko and Emily Glazer contributed to this article.

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Energy, Climate Picks to Be Named

By Andrew Restuccia AND TIMOTHY PUKO

WASHINGTON—Presidentelect Joe Biden is planning to tap former Obama administration Environmental Protection Agency chief Gina McCarthy as national climate adviser and former Michigan Gov. Jennifer Granholm as energy secretary, according to people familiar with the matter. In Ms. McCarthy's role, she

will lead a newly formed White House Office of Domestic Climate Policy. Ali Zaidi, New York's deputy secretary for energy and environment, will serve as Ms. McCarthy's deputy, people familiar with the matter said. Ms. McCarthy, who declined

to comment, will work closely with former Secretary of State John Kerry, Mr. Biden's special envoy for climate change. Her position doesn't require Senate confirmation. Mr. Biden's top advisers also

have expressed increased interest in picking Rep. Deb Haaland (D., N.M.) to lead the Interior Department. But House Democrats have pushed back, telling transition officials that they can't afford to lose another lawmaker to the administration because of the party's slim majority, people familiar with the discussions said.

The president-elect is expected to formally announce key energy and environment

positions this weekend, but



Jennifer Granholm is a former Democratic governor of Michigan.

one person familiar with the internal deliberations said Mr. Biden was still deliberating on his EPA administrator. Ms. Granholm, who en-

dorsed Mr. Biden for president in March, served as Michigan's Democratic governor from 2003 to 2011 and as the state's attorney general for the preceding four years. One of her signature policies as governor was a mandate for the state to increase the share of its energy derived from renewable sources like solar and wind.

If confirmed as energy secretary, Ms. Granholm would oversee U.S. scientific research and the country's nuclear arse-

nal, and could help incentivize

the development of low-carbon

energy sources through the

distribution of federal loans.

She would likely work closely

with other senior officials, including the incoming head of the Environmental Protection Agency and the White House climate coordinator, to pursue Mr. Biden's campaign pledge to achieve net-zero emissions in the U.S. by 2050. Ms. Granholm didn't re-

spond to requests to comment. A spokesman for Mr. Biden's transition team declined to comment.

As governor, Ms. Granholm pushed a renewable portfolio standard requiring 10% of the state's energy to come from renewable sources by 2015, a percentage that was later increased. During her tenure, she also worked closely with the Obama administration to help the auto industry, which faced collapse following the

economic downturn. She has

credited Mr. Biden with playing a key role in bolstering General Motors Co. and Chrysler during that period.

Ms. Granholm and Mr. Bi-

den have a close relationship dating back years. She helped Mr. Biden prepare for his vicepresidential debate during the 2008 campaign. Other candidates Mr. Biden

has considered for the energy secretary job included Arun Majumdar, a Stanford University professor and former vice president for energy at Alphabet Inc.'s Google, and former Deputy Energy Secretary Elizabeth Sherwood-Randall.

Mr. Majumdar could be nominated for another senior role at the Energy Department, possibly deputy secretary, some of the people famil-

iar with the matter said. During the Obama administration, he became the first leader of the department's Advanced Research Projects Agency-Energy, or ARPA-E, working there from 2009 to 2012. The agency funds earlystage innovation projects, modeled on the research arm of the Defense Department that is known as a catalyst for breakthroughs.

Mr. Biden has promised to place a new emphasis on this kind of work in government, including creating a new agency called "ARPA-C," to address climate change. Mr. Biden has called climate change an urgent crisis.

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DR. JULIA HOENG

DIRECTOR SYSTEMS TOXICOLOGY, PHILIP MORRIS INTERNATIONAL

I've studied biology, biochemistry, math, and computer science, and received my doctorate from Cambridge University. In 2008, when I learned Philip Morris International (PMI) was building a new laboratory to assess the products that would form part of a smoke-free future, I said, "I'm in."

Seeing the positive results from the first studies looking at the differences between cigarette smoke and aerosol from our smoke-free nicotine products was thrilling. There were so many positive findings, and yet we were still in the building phase. What would happen next? We had to tell ourselves to be courageous: *Don't worry, just look at the data.*

Systems toxicology is an exciting and dynamic field to work in, but it creates terabytes of data, as it combines standard toxicology with new and diverse techniques to help give us a bigger and more detailed picture of how toxic substances affect the body. Working with such giant blocks of data is a challenge for all applications of systems toxicology, not just tobacco harm reduction. This is why we share our data and

methods transparently. Not only is it in our best interest to demonstrate openness to the world at large, but it's also important to engage the global scientific community in order to always be moving the science forward.

The potential public health impact of science-backed smoke-free products is considerable. And while these products are not risk-free and deliver nicotine — which is addictive — the breakthrough is profound. And I feel an enormous sense of accomplishment with what we've achieved so far.

Of course, we still have important work to do. We will continue to provide information to regulators, scientists, public health organizations and policymakers about the potential of smoke-free products. We will continue to share our science. And we will continue working to deliver smoke-free alternatives for the world's adult smokers who don't quit tobacco and nicotine altogether. But this is a marathon, not a sprint, and we're in this for the long term.

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UNSMOKE YOURMIND



Pfizer Expands Rollout of Its Covid-19 Shots

By Jared S. Hopkins

More U.S. hospitals began receiving shipments of the Covid-19 vaccine developed by Pfizer Inc. and BioNTech SE, with doctors and nurses being inoculated for the first time.

Pfizer and logistics companies continued distribution of its two-dose vaccine, as they worked to meet the government's goal of distributing millions of doses to 636 sites across the country by Wednesday. About 2.9 million doses are set to be delivered by the end of the weekend to more than 1,000 locations.

At Loretto Hospital in Chicago, five health-care workers received the city's first vaccines on Tuesday with Mayor Lori Lightfoot and other officials watching nearby. "What we just witnessed is history in the making," Ms. Lightfoot said afterward at a press briefing. "I got goosebumps watching this happen."

Loretto has fewer than 200 beds in the city's Austin neighborhood, a predominantly African-American community that has been especially hard hit by the virus. "Covid-19 is still real. It is still killing Chi-

cagoans. We need to stay vigilant," Ms. Lightfoot said.

Five people got the vaccine as a way to illustrate the complex logistics in the rollout, as Pfizer's shot comes five-pervial, said Chicago Department of Public Health Commissioner Allison Arwady. Pfizer's shot is transported frozen, can be refrigerated for up to five days but then must be administered within a few hours.

"These folks are the lucky ones to get us started," said Dr. Arwady.

The first vaccine in New Jersey was given to Maritza Beniquez, an emergency department nurse, at University Hospital's Vaccine Clinic at Rutgers New Jersey Medical School in Newark, according to New Jersey Gov. Phil Murphy's office. Six acute-care hospitals are set to receive the state's initial federally determined 76,050 doses of the vaccine this week.

The Minneapolis VA Medical Center gave out its first doses of the vaccine Tuesday, according to medical center director Patrick Kelly.

The facility is one of the first 37 U.S. Department of Veterans Affairs medical sites



Terrence Wong, associate chief of pharmacy operations at Rocky Mountain Regional VA Medical Center in Aurora, Colo., opens a vaccine box.

to get initial doses of the vaccine because of the hospital's ability to vaccinate large numbers of people and store the shots at ultracold temperatures, according to spokesman Brad Doboszenski.

"The vaccine is not waiting to go, the vaccines are being given in Minnesota," said Gov. Tim Walz, who spoke at the medical center.

Under the VA's plan, the first in line will be those who live in long-term-care facili-

ties, akin to nursing homes, and VA health-care workers, according to the department.

The VA has said it plans to provide a Covid vaccine free of charge to veterans who receive VA health care.

The Trump administration and officials with Presidentelect Joe Biden have said the vaccine would be provided free of charge to Americans. Administration fees would be billed to private or government insurance plans or to a special government relief fund for the uninsured.

While California began vaccinations at one hospital in Los Angeles on Monday and another in San Francisco on Tuesday, logistical problems with a computer system meant to track people who get vaccinated arose in the state's most populous metro area.

In L.A. County, a patient registration and tracking system called PrepMod that public-health officials are requiring facilities to use has experienced delays and isn't yet fully online, said Jeff Smith, chief operating officer of Cedars-Sinai Medical Center in Los Angeles.

"Cedars-Sinai and some other large hospital systems have decided to leverage our existing electronic health records instead of the county system to perform those functions," he said. The county is "establishing workarounds until their system is up and running."

For Biden's Virus Czar, Challenges Await

By Stephanie Armour And Tarini Parti

WASHINGTON—A crisis awaits Jeffrey Zients.

By the time he starts as President-elect Joe Biden's coronavirus czar, an estimated 400,000 people in the U.S. could be dead from the pandemic. Millions of vaccine doses will need to be administered by states, and the nation will remain split over the best way to confront the virus.

Mr. Zients, an investor and former Obama administration economic adviser, has tackled health-related organizational challenges before. He is credited with turning around the bungled rollout of the Affordable Care Act's HealthCare.gov website in 2013.

"Like now, it was a very high-stakes situation with an uncertain outcome," said Denis McDonough, the White House chief of staff during the Obama administration's second term who is now Mr. Biden's pick for veterans affairs secretary.

The pandemic's scale means the challenge now is bigger. And while he draws praise from officials who worked with him during the Obama years, his selection has been criticized by some progressive Democrats leery of his business background: He is on leave from his job as chief executive of investment firm Cranemere and served on the board of Facebook Inc.

Jeff Hauser of the liberal Revolving Door Project, which scrutinizes executive-branch appointments, derided Mr. Zients as friendly to corporations and raised concerns about his previous work in the health-care industry. Mr. Zients served as chief executive of the Advisory



Jeffrey Zients speaking during an event with the president-elect in Wilmington, Del., last week.

Board Company, a health-care consulting and research firm.

consulting and research firm.

"Our worries in this specific job are that he is not only comfortable with the financialization of American health care, he has hastened it," Mr. Hauser said. "And we think that the person who runs the Covid-19 response is going to be shaping public policy in some very consequential ways as to how the government interacts with health-care providers."

Mr. Zients also lacks publichealth experience, raising concerns among some in Congress, though his position won't require Senate confirmation.

"If you had that publichealth background, then you're able to prioritize competing priorities—which is more important or not—because you know from a publichealth background which one's a linchpin and which one can wait," said Louisiana GOP Sen.

Board Company, a health-care Bill Cassidy, a physician.

Mr. Zients declined to comment, according to a spokesman with the Biden transition team. Supporters say critics should look at his success stabilizing HealthCare.gov as evidence he can make strides in corralling the pandemic.

Frustration ran high in October 2013 when the online platform to sign up for individual health insurance under the ACA tried to launch. By most accounts, it was a mess. The website crashed after just two hours, and it later could handle only about 35,000 visitors at any one time.

any one time.

Less than two weeks after the troubled start, Mr. Mc-Donough took Mr. Zients for a walk on the White House South Lawn. He had known Mr. Zients, who had been acting director of the Office of Management and Budget in 2010 and 2013, and coaxed him to lead a mission

aimed at fixing HealthCare.gov.
Mr. Zients had no experience
in the technology industry, hav-

in the technology industry, having worked primarily in management consulting before joining government. But, as will be the case when he takes his new job in January, there was a need to act quickly. Scores of people were unable to create an application on HealthCare.gov, and there was a narrow window for them to sign up. The federal government had spent more than \$80 million, and additional costs were adding up.

First, Mr. Zients marshaled private companies and technology firms to undertake a rapid review of HealthCare.gov's problems, drafting a punch list of fixes to prioritize. The quick action didn't surprise people who had worked with him before.

"He's not a ditherer," said Richard Cordray, the first director of the Consumer Financial Protection Bureau from 2012 to 2017.

Mr. Zients publicly committed to operations working smoothly by late November and made the Centers for Medicare and Medicaid Services, which oversaw the ACA implementation, accountable by holding regular press briefings, said Andy Slavitt, who served as the agency's acting administrator during the Obama administration. "He organized the briefings with slides and materials every week, with all the data," said Mr. Slavitt.

said Mr. Slavitt.

A similar public-information effort will be needed when Mr. Biden takes office to reassure people about the vaccine's safety and provide updates on initiatives to slow the virus's spread, health leaders say.

Mr. Biden has called for broad changes to the federal response to the coronavirus and pressed people to commit to wearing a mask for 100 days. He has said he would back a mask mandate on federally owned property, widen free testing and put public-health scientists in the forefront. He wants 10 mobile testing sites and drive-through facilities in each state and has said he would deploy military resources to boost health-care capacity.

Mr. Zients, 54 years old, will have to implement the initiatives and get up to speed with what the Trump administration has put in place.

"These are hard issues," said Tom Frieden, a former director of the Centers for Disease Control and Prevention. He said the challenges existed in part because the Trump administration had left states shouldering much of the response rather than taking a more muscular federal approach.

New Case Count Up Slightly in The U.S.

By David Hall

The U.S. reported more than 193,000 new coronavirus cases, as the first doses of the Pfizer-BioNTech vaccine were administered across the country.

The nation's tally of new cases for Monday was slightly higher than the previous day's total but down from peaks of more than 200,000 reached earlier this month, according to data compiled by Johns Hopkins University. California, which hit a record of more

Monday's tally of more than 193,000 was down from peaks earlier this month.

than 36,000 new cases for Sunday, reported just over 26,000 infections for Monday.

The country reported more than 1,400 fatalities from Covid-19 for Monday, bringing the total death toll to more than 300,400. Nationally, the average number of daily deaths over a seven-day period has risen sharply in re-

Hospitalizations hit a record for the ninth day in a row Monday, with 110,549 people in hospitals across the country due to Covid-19, according to the Covid Tracking Project.

cent weeks.

Moderna's Shot Nears Approval

Continued from Page One normal semblance of life," said William Schaffner, professor of

William Schaffner, professor of health policy and preventive medicine at Vanderbilt University. He said more data are necessary to conclude whether the Covid-19 vaccines can do that.

A Pfizer researcher said last week that the company was studying whether its vaccine protects against asymptomatic Covid-19 and hopes to complete that analysis early next year.

Doses of Moderna's vaccine could be shipped this weekend, with vaccinations starting early next week. Which vaccine people get will be decided by factors including availability, with the Centers for Disease Control and Prevention

and the Trump administration's Operation Warp Speed overseeing distribution. Federal officials have said the Moderna vaccine will be more suitable for smaller hospitals in rural areas because it is shipped in smaller quantities than Pfizer's and can be stored at a higher temperature.

The FDA's review of a

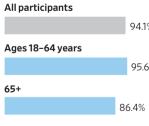
The FDA's review of a 30,000-person clinical study confirmed Moderna's earlier disclosure that the vaccine was 94.1% effective at preventing Covid-19 disease with certain symptoms, including severe disease.

The Moderna vaccine, if au-

thorized, would be the first of several expected to augment U.S. vaccine supplies following the rollout to Americans this week of the first shot, from Pfizer. Vaccines are considered critical to ending the pandemic, which has killed over 300,000 people in the U.S. and more than 1.6 million globally.

FDA analysts found the Moderna vaccine was effective "across age groups, genders, racial and ethnic groups, and

Efficacy rates for Moderna's Covid-19 vaccine, by group



Note: Starting 14 days after second dose. Source: FDA

participants with medical comorbidities [underlying conditions] associated with high risk of severe Covid-19."

Similarly encouraging, FDA scientists also found that the research "suggested benefit of the vaccine in preventing severe Covid-19." The issue of effectiveness against severe disease has been raised about the studies of Covid-19 vaccines. The study found 30 cases of severe disease in the placebo group, versus zero in the vaccine group.

Moderna found that some people who started the study

with no evidence of infection developed asymptomatic infections after the first dose and before the second dose. Of these, Moderna found there were about two-thirds fewer asymptomatic coronavirus infections among vaccine recipients than among those who had gotten a placebo, according to a Moderna document posted by FDA. The document didn't include results following the second dose.

Moderna's new data showing a reduction in asymptomatic infections after the first dose means it is possible to "slow down the spread of the virus in the community by being vaccinated, in addition to protecting yourself from severe disease," said Moderna Chief Executive Stéphane Bancel.

Moderna previously has said its experimental vaccine was 94.1% effective in protecting people against Covid-19. In that first public, full analysis of the pivotal study, the Cambridge, Mass., company said 196 people in the 30,000-person trial experienced symp-

toms and that 185 of those were given a placebo, compared with just 11 on the Moderna vaccine.

The FDA analysis found the Moderna vaccine appeared somewhat more effective in younger people than in seniors. Vaccine efficacy was 95.6% among people 18 to 64, and 86.4% among those 65 and older.

Moderna studied its vaccine in people 18 and older, and is seeking authorization for use in that population. The FDA cleared Pfizer's vaccine in people 16 and older because the study included that age group.

study included that age group.
The FDA found no specific safety concerns that would preclude its authorization of the vaccine. The most common side effects included injection-site pain, fatigue, headache and chills. Severe adverse reactions were rare but occurred more frequently after the sec-

ond dose than after the first. About 9.1% of vaccine recipients had injection-site reactions that were classified as "grade 3," which the FDA defines as severe or medically significant but not immediately life threatening. In comparison, less than 1% of placebo recipients had grade 3 injection-site reactions.

Some 16.5% of vaccine recipients had systemic adverse reactions, such as fever and fatigue, with a severity of at least grade 3, versus 3.7% among placebo recipients.

The FDA said it would recommend that vaccinated people be monitored for a condition called Bell's palsy, which weakens facial muscles, because three vaccine recipients in the Moderna study experienced it. This condition also was reported in a small number of recipients of the Pfizer vaccine in the Pfizer study. Those rates are consistent with what would be expected in the general population outside of a clinical trial.

The FDA is expected to move quickly to approve the Moderna vaccine if there is a favorable recommendation from an advisory committee meeting on Thursday.

At-Home Covid Test Authorized By FDA

By Brianna Abbott

The Food and Drug Administration authorized a Covid-19 test that can be administered and processed at home, the first such test allowed to be sold over-the-counter at drugstores or other retail locations without a prescription.

The antigen test, made by Ellume USA LLC, is a single-use, disposable test that searches for pieces of virus proteins and returns results in about 15 minutes. It is the second to be authorized for at-home use.

Ellume's test is expected to cost around \$30 and requires a smartphone, the company says. The test is authorized to be used by people both with and without symptoms. It can also be used on children as young as 2 years old.

Ellume, based in Australia, aims to ship 100,000 tests a day in January, said Sean Parsons, the company's founder and chief executive officer. In October, the company received \$30 million from the U.S. federal government through the Rapid Acceleration of Diagnostics initiative at the National Institutes of Health, and the U.S. is the company's primary market.

Clinical studies of the test were conducted with 198 participants across five U.S. states. The test's accuracy was compared with that of the gold standard, laboratorybased PCR test. Ellume's test correctly identified 96% of positive samples and 100% of negative samples among people with symptoms. The test fared slightly worse among people without symptoms. It correctly flagged 91% of positive samples and 96% of negative samples.

For people without symptoms, a positive on the test should be treated as presumptive and confirmed by another test, the FDA said.

Europe Speeds Its Review of Vaccine

By Drew Hinshaw And Bojan Pancevski

The European Union's chief drug regulator will accelerate its review of a Covid-19 vaccine after coming under pressure from some governments to authorize the shot, as the continent struggles to contain a wave of cases ahead of the Christmas period.

The European Medicines Agency said on Tuesday it would meet on Dec. 21, eight days earlier than previously scheduled, to consider authorizing the shot developed by Germany's **BioNTech** SE and **Pfizer** Inc.

So far, the U.S., U.K. and Canada have begun vaccinating their citizens with the shot. Once the vaccine is cleared in Europe, it would take several days to ferry the doses across the continent, meaning vaccinations—in some countries at least—could start before Christmas.

The agency and several national governments in the bloc had said a careful review was needed to ensure public confidence in the shot at a time of mounting skepticism about vaccines in Europe.

Some EU leaders, however, had been growing frustrated at the pace of the review as the death toll from the virus ticks higher.

At an EU summit last week, at least three heads of government complained that it was becoming politically untenable to explain to their citizens why the U.S. and Canada were administering a Europe-made vaccine ahead of the EU, officials familiar with the discussions said.

"I hope that the EU, too, will

get quick and unbureaucratic approval of the first vaccines while observing all scientific standards," Austrian Chancellor Sebastian Kurz told The Wall Street Journal. "The earlier we in the EU are able to start vaccinating, the better. Because every day of the pandemic in Europe means thousands of

deaths, severe economic dam-



Medical personnel performed rapid Covid-19 testing at an outdoor facility in Berlin this month.

age and innumerable people who must fear for their jobs."

On Tuesday, Italy's Health Ministry said it hoped the EMA could authorize a vaccine ahead of schedule. Other nations badly affected by the virus, including France and Spain, haven't raised complaints about the speed of the review.

"We should be very alert to any possibility of being tangled up in the red tape," Polish Prime Minister Mateusz Morawiecki told the Journal. "Some non-EU Western and Asian countries have already started vaccinations. Meanwhile, millions of EU citizens are still waiting."

Germany and several neighboring countries—including Poland, Czech Republic and Austria—are asking residents to stay at home through Christmas, restricting social gatherings and church services, after a surge in cases threatened to overwhelm hospitals.

On Monday, German Health Minister Jens Spahn defended his government's decision not to grant the vaccine emergency authorization—as the U.K. had done and as any EU member could do on its own—and wait instead for full EU authorization. But he told national radio that his government was pushing for the timetable to be accelerated.

The EMA has no authority to issue the type of emergencyuse authorization that the U.K. and U.S. have given. In the EU,

EU leaders lament the U.S. and Canada are getting a European shot first.

that power falls to national governments. Yet not all governments have the capacity to swiftly review highly specialized clinical-trial data and reach a judgment.

Mr. Spahn has said in the past that EU governments had agreed not to start a race for emergency authorization so as not to create tensions within the bloc. He also said vaccine

doses had been ordered centrally in the EU, making it easier to start distribution across the bloc on the same day.

EMA officials have said they are moving as fast as they can without eroding trust in vaccines. Conversely, some publichealth officials and medical institutions have warned the agency that hasty authorization of a shot that uses novel technology would be a difficult sell on a continent where vaccination rates have declined.

On Friday, the agency's leaders held a four-hour videoconference to assure the public that they are being meticulous in reviewing clinical-trial data and the manufacturing particulars.

"We are working around the clock towards the licensing of the first Covid-19 vaccine," EMA Executive Director Emer Cooke said in an emailed statement. "European citizens have told us they want a fast approval, but more importantly they want a thorough evaluation of the benefits and the risks of the vaccine, so that they can be confident it is safe,

effective and of high quality.'

The EMA is poring over the same data as its counterparts in the U.K., Canada and the U.S. did. Regulators analyze patient data from large-scale human trials submitted in rolling batches to see how many infections occurred in those who received a placebo-like shot compared with those who were given the vaccine. Because the virus is spreading so widely, it took BioNTech only weeks to record the number of cases necessary to determine how effective its shot is.

But regulators also ask questions to confirm the vaccine is generally safe and effective, and can be manufactured at a consistent quality. On this front, the EMA has been slower than the U.K., whose chief regulator started posing questions earlier in the process and was quicker to make follow-up queries, said people who worked with both agencies recently. The different regulators also want data formatted differently, creating a delay.

Ugur Sahin, BioNTech's chief executive, said in an interview Friday that the EMA process wasn't taking longer than those in the U.S. and the U.K. because of scientific reasons, but rather because the EU agency was following its own procedures.

The EU signed a contract to buy 200 million doses from BioNTech and Pfizer—enough to vaccinate 100 million people—with the option for an additional 100 million doses. Last month, it agreed to purchase 160 million doses of a second vaccine, developed by **Mod-erna** Inc., that uses the same mRNA technology.

The EMA isn't set to make a decision on the Moderna shot until Jan. 12. After that, it could be months before it makes decisions on other candidates, such as a **Johnson & Johnson** vaccine, which is in large-scale clinical trials, and another developed by **Astra-Zeneca** PLC.

—Laurence Norman contributed to this article.

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WORLD NEWS

Iran Skirts Sanctions, Boosts Oil Exports

Several firms that monitor petroleum trade say shipments have roughly doubled

By Benoit Faucon

LONDON-Iran has circumvented U.S. sanctions and exported more oil to China and other countries in recent months, providing a lifeline for its struggling economy and undermining the Trump administration's so-called maxipressure campaign against Tehran.

The scale of Iran's petroleum sales is difficult to gauge, given their often covert nature. Several firms that monitor the global oil trade say shipments from Iran have roughly doubled from the low levels seen earlier this year, although estimates vary widely.

On the high end, U.S.-based TankerTrackers.com, which uses satellite imagery to follow deliveries, estimated Iranian crude oil exports hit 1.2 million barrels a day over the fall, up from 481,000 barrels a day in February.

Meanwhile, SVB International in Washington said Iran exported 585,000 barrels of crude oil a day in November, up

from 230,000 earlier in 2020. Petro-Logistics saw an increase in exports to about 447,000 barrels a day, from 222,000.

The more conservative figures suggest U.S. sanctions have kept most Iranian crude bottled up. But the sharp increase seen across the three market trackers suggests Tehran has been more successful recently in selling its oil.

Secretary of State Mike Pompeo said last year the U.S. was aiming for zero oil exports from Iran, having previously sought to drive them below 1 million barrels a day, down from their 2018 presanctions levels of 2.5 million barrels a day.

Among the biggest customers for Iran is China, which, according to Beijing's official trade statistics, imported 62,000 barrels a day of Iranian oil in October, up from zero in June. Industry watchers said the actual totals were likely much higher and included oil transshipped through other Asian countries. Venezuela—under socialist

leader Nicolás Maduro, long at odds with Washington and under American sanctions—has also started buying Iranian gasoline. And Syria resumed Iranian oil imports this year, according to shipping trackers



An Iranian oil tanker docked at a refinery in Venezuela in May.

and an Iran oil official.

Iranian shippers have gone to increasing lengths to evade sanctions, switching off radio transponders to avoid tracking, while operators transporting Iranian crude have changed their ships' names or doctored bills of lading.

More recently, they have begun transshipments of oil in regions once thought to be too risky, including waters off the coast of U.S. allies Iraq and the United Arab Emirates, according to people familiar with the matter.

American officials acknowledge that Iran is exporting oil, but say sanctions have still caused severe economic consequences for the country, including sending the rial sharply lower.

The Iranian currency has depreciated 85% since early 2018, while inflation of over 30% in Iran has turned meat into a luxury product. Government budget cuts last year sparked protests during which hundreds were killed.

Mr. Pompeo has said that sanctions have cut Iran's oil revenue by \$70 billion since May 2018 and that reducing pressure on Tehran would be a dangerous move. In November, Keith Krach, the undersecretary of state overseeing energy policy, described U.S. sanctions on Iran as "remarkably effective."

Iran will be one of the biggest foreign-policy challenges facing President-elect Joe Biden when he enters the White House in January, and his

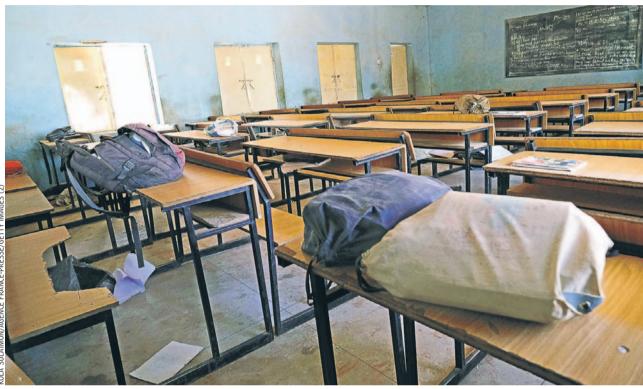
transition team has said there will likely be changes to policy, including a move to rejoin the 2015 nuclear agreement with Iran. Jake Sullivan, designated as Mr. Biden's national security adviser, said this month that the administration would be prepared to honor the terms of the deal—a move likely to require a rollback of U.S. sanctions—and use it as a සූ basis for follow-on talks around broader concerns.

Most oil buyers and shippers stopped trading with Iran after Washington slapped a full embargo on Iran's crude shipments after the Trump administration pulled out of the Obama-era nuclear pact with Tehran in 2018.

Iranian traders and some prospective buyers said they were expecting U.S. pressure to ease once Mr. Trump leaves office.

The Iranians "need to sell oil, and we need energy," said one official in Italy, formerly a top customer for Iranian crude. Purchases will restart quickly once sanctions are lifted, this official said.

This summer, oil-rich Venezuela started buying Iranian gasoline after its refineries all but shut down, in part because of separate American restrictions on Caracas.



The school where gunmen abducted students in Nigeria was eerily quiet Tuesday, while concerned parents waited outside, below.

Jihadists Claim Mass Kidnapping

Continued from Page One

Boko Haram's claim of responsibility has surprised some analysts, marking a departure from the extremist group's usual area of operation in the country's northeast.

"What happened in Katsina was done to promote Islam,' said Abubakar Shekau, the group's leader and Africa's most-wanted terrorist, with a \$7 million U.S. bounty on his head. "Western education is not the type of education permitted by Allah and his holy Prophet.'

He didn't give any figures for the number of boys kidnapped in Kankara, but the mass abduction appears to be even larger than Boko Haram's 2014 kidnapping of 276 schoolgirls from the town of Chibok, which gave rise to the global #BringBackOurGirls campaign and sparked a U.S. military intervention. A new hashtag, #BringBackOurBoys, began to trend in Nigeria as fresh details trickled out. The United Nations has strongly condemned the abductions and called for the children's "immediate and unconditional release.'

Boarding schools across several northern states have been closed and the governor of Katsina appeared on television in tears. The local government has said that the kidnappers have been in contact to discuss a ransom to release the boys, although Shekau said there were no negotiations.

Nigerian Defense Minister Salihi Magashi confirmed that a search-and-rescue operation was under way and pledged to do everything necessary to ensure the boys' re-

Distraught families have converged on the school's cam-



pus in recent days, pleading with the authorities to save the

On Tuesday, the campus was eerily quiet. Students' belongings were strewn across the dormitory floors; textbooks and stray soccer cleats sat next to bags that would have soon been packed for the end-ofyear holidays.

Boko Haram's claim of responsibility comes after a bloody two weeks across the northern frontiers of Africa's most populous nation. In late November, the group abducted and then slaughtered some 70 farmers in the village of Zam-

Boko Haram's claim comes after a bloody two weeks in northern Nigeria.

abari in Borno state. Last week, the group killed 28 people and burned 800 homes in a village across the border in southern Niger.

The rising violence across northern Nigeria comes amid the government's faltering

strategy to combat a decade-

long insurgency that has me-

tastasized into one of the

world's deadliest jihadist campaigns.
"Only in Nigeria have we

seen militants walk into a high school and abduct the whole student body," said Bulama Bukarti, an analyst at the Tony Blair Institute for Global Change based in London. "The security situation across the north is rapidly deteriorating. An attack on Nigeria's children is an attack on the country's future."

The Kankara attack is particularly embarrassing for President Muhammadu Buhari, a native of Katsina, who has repeatedly claimed that Boko Haram and its affiliates have been technically defeated. But since last year, the militants have been advancing, overrunning dozens of smaller military bases and looting weapons.

Shekau has traditionally operated in northeast Nigeria but has been quietly building alliances in the northwest for the past year. In recent video messages, he has claimed that

Boko Haram has cells in the northwest, and appeared to address potential new recruits in the regional Fulani language. Shekau directed the kidnapping of the schoolgirls from Chibok Government Secondary

School in 2014. After three

years, 103 were freed in deals

brokered by a team of Swiss

mediators for a ransom and exchange of Boko Haram prisoners. A total of 112 have never returned home and many are feared to have died in captivity.

The testimony of the survivors of Kankara suggests the kidnap operation was eerily similar to the abduction in Chibok. Mr. Male and other witnesses said dozens of gunmen on motorcycles surrounded the boarding school and opened fire on police, before rounding up students and telling them they were soldiers—the same technique used in the Chibok abduction.

Mr. Male said he walked for more than 12 hours in bare feet as he had no time to collect his sandals during the abduction. Suffering from anemia, he felt weak and dizzy. In the darkness, he noticed dozens of students had slipped from the crowds and disappeared into the forest.

As the militants ordered the group to rest near a village while they discussed how to avoid being seen, he slipped off and hid under a tree. He sneaked into the forest and reached a nearby village named Zango, where locals helped him home after a 36-

hour ordeal. "I thought I would never see my parents again....I hope I will

see my friends," he said.

WORLD WATCH

SAUDI ARABIA

Austerity Pushed After Pandemic

Saudi Arabia plans to spend less next year to rein in a pandemic-induced budget deficit, pursuing austerity even as a rally in oil prices signals a higher demand for crude and a global economic recovery.

The government expects to trim its budget deficit from 12% of economic output this year to 4.9% in 2021, as it lowers spending by about 7% to 990 billion Saudi riyals, (\$264 billion), the Finance Ministry said Tuesday. State revenues are forecast to grow nearly 10% to 849 billion riyals on higher taxes and oil revenues.

Saudi Arabia's budget announcement is a closely watched measure of spending in the wider Gulf region and an indicator of Rivadh's expectations on the direction of oil prices. Crown Prince Mohammed bin Salman is expected to face a tricky economic balancing act next year as the kingdom's de facto ruler will have to cut spending on some projects related to his plan to diversify the economy yet still try to create jobs for his young population.

The Saudi government forecasts a return to growth of roughly 2% next year. Unemployment among Saudis stands at roughly 15%, according to the latest government statistics.

-Rory Jones

JAPAN

Asteroid Mission Retrieves Black Dirt

Japan's space agency said it recovered far more black dirt than it was targeting from the asteroid Ryugu, confirming the success of its Hayabusa2 mission nine days after it delivered its payload to the Australian outback

Scientists plan to study the material, which is thought to retain the chemical composition of the early solar system some 4.6 billion years ago, for clues to the origins of life on earth.

The Hayabusa2 mission was launched in 2014. It collected samples from the surface of Ryugu and from an artificial crater on the asteroid created by firing a projectile. After traveling more than 3.2 billion miles, Hayabusa2 flew by earth early this month and dropped a capsule with the samples inside.

The Japan Aerospace Exploration Agency, or JAXA, had said it hoped to collect at least 0.1 gram of material, the equivalent of a few grains of rice. "It was so far beyond our

cally at a loss for words. It was really emotional," said JAXA scientist Hirotaka Sawada.

predictions that we were practi-

–Peter Landers

Tokyo 'Twitter Killer' Sentenced to Death

A Japanese court on Tuesday sentenced a man to death for killing and dismembering nine people, most of whom had posted suicidal thoughts on social media, in a case that shocked the country.

The Tachikawa branch of the Tokyo District Court found Takahiro Shiraishi, known as the "Twitter killer," guilty of killing, dismembering and storing the bodies of the victims in his

apartment in Zama, near Tokyo. Mr. Shiraishi, 30 years old, pleaded guilty and said he wouldn't appeal his death sen-

Police arrested Mr. Shiraishi in 2017 after finding the bodies of eight females and one male in cold-storage cases in his apartment. On Twitter, Mr. Shiraishi used the name "Hangman," promising to help his victims die and

inviting them to his apartment. -Associated Press

AFGHANISTAN

At Least 4 Killed in **Bombings, Shooting**

A bombing and a shooting attack in Kabul killed at least three people, including a deputy provincial governor, while a deputy provincial council chief was killed in western Afghanistan on Tuesday, officials said.

The attacks are the latest in relentless violence in Afghanistan even as the Taliban and Afghan government negotiators hold talks in Oatar, trying to hammer out a peace deal that could put an end to decades of war.

An Afghan interior ministry spokesman said a sticky bomb attached to the armored vehicle belonging to Kabul's deputy provincial governor killed him and his secretary and wounded two others. No one immediately claimed

responsibility for the attacks. -Associated Press

The capsule from Japan's Hayabusa2 mission revealed a large amount of asteroid material, far more than scientists expected.

WORLD NEWS

China Extends Its Wide-Ranging Economic Recovery

By Josh Chin

BEIJING—China's economic activity extended its momentum in November with an across-the-board recovery, putting the world's second-largest economy on stronger footing as it approaches the end of a tumultuous year.

Major economic indicators, including industrial output, investment and consumer spending, all grew at faster paces last month, supporting job growth and driving down unemployment rates, according to official data released Tuesday.

Industrial output rose 7.0% in November from a year earlier—its highest level in more than two years, China's official National Bureau of Statistics said. The result was a tick up from 6.9% in October, which beat the 6.8% rise expected by economists polled by The Wall Street Journal.

The industrial sector was the first to rebound from the shock of the pandemic early this year, after Beijing rushed to restore production and business in the second quarter. Economists had anticipated industrial production would slow in recent months, as a resurgence of the coronavirus threatened to hurt demand abroad. But official figures, in-

cluding Tuesday's data, have defied those predictions.

"China's economy continued to gather steam in November thanks to previous credit-easing policy and robust export demand," said Li Wei, an economist with Standard Chartered PLC.

China's fixed-asset investment, which includes spending on manufacturing, property and infrastructure projects, rose 2.6% in the January-November period compared with last year, according to data from the statistics bureau. That was faster than the 1.8% pace recorded in the first 10 months of the year, and beat economists' expectations of 2.5%.

Economic growth in the fourth quarter is expected to accelerate further from the third quarter because of rebounds in production and demand, said Fu Linghui, a statistics-bureau spokesman.

Gross domestic product expanded 4.9% year over year in the third quarter, a strong rebound from the 6.8% contraction it experienced in the first quarter when economic activity ground nearly to a halt to contain the spread of Covid-19.

◆ Heard on the Street: Stimulus won't do heavy lifting.......B14



By José de Córdoba And Santiago Pérez

MEXICO CITY—President Andrés Manuel López Obrador's ruling party pushed through a new law Tuesday curbing the role of foreign lawenforcement officers in Mexico, a move the U.S. believes will cripple bilateral efforts to battle powerful drug cartels.

The legislation, which passed by a vote of 329 to 98 in the lower house, follows the October arrest in the U.S. of Mexico's former defense minister on drug trafficking and corruption charges. The shocking detention of Gen. Salvador Cienfuegos prompted Mr. López Obrador to question the role of the U.S. Drug Enforcement Administration, portraying it as a rogue agency running roughshod over Mexican sovereignty.

The curbs to the operations of foreign agents, aimed at DEA and other U.S. law-enforcement agents, are a blow to the U.S. Department of Justice, former agents and security analysts said.

Last month, Attorney General William Barr dropped charges against Gen. Cienfuegos and handed him back to Mexico, saying the general's detention would stifle bilateral security cooperation. On Friday, before the bill became law, Mr. Barr said in unusually blunt language that the U.S. was worried the law would imperil future security cooperation between the two countries.

"We are troubled by legislation currently before the Mexican Congress, which would have the effect of making the citizens of Mexico and the United States less safe," said Mr. Barr, who is leaving his post before the end of the month. The law "can only benefit the violent transnational criminal organizations and other criminals that we are jointly fighting," he said.

The legislation orders Mexico's local, state and federal officials to report to the federal government every telephone call, meeting or communication with a foreign



A new security law passed after the arrest in the U.S. of Mexico's former defense minister on drug trafficking charges. Gen. Salvador Cienfuegos is shown in an artist's sketch in a New York court.

Congress Delays Bank-Bill Vote

MEXICO CITY—Mexico's lower house of congress on Tuesday postponed debate on a bill that bankers said would jeopardize the central bank's autonomy by requiring it to buy foreign currency in cash that banks are unable to put into the financial system.

Proponents argued the measure aims to benefit Mexicans who receive remittances or tourist dollars in cash but can't exchange them or are forced to exchange them on

the black market at unfavorable rates.

The central bank said the bill, as passed last week by the Senate, would put \$195 billion in reserves at risk because the bank could end up buying dollars from illicit sources.

Following sharp criticism of the proposal from the central bank, private banks and major credit-rating firms, lawmakers in Mexico's lower house abandoned plans to debate and vote on the bill Tuesday. Both houses of congress plan to hold joint hearings to agree on a bill that could be voted on in the session starting in February.

—Juan Montes

agent within three days of its occurrence. Foreign agents must report to the government any information they dig up and provide monthly reports of their activities.

"It puts too many conditions on the actions of foreign agents," said Jorge Chabat, an expert on international relations at the University of Guadalajara.

Meetings by Mexican officials with foreign agents must have prior authorization from a group of senior Mexican officials charged with regulating contacts. A representative from Mexico's Foreign Ministry must be present at any such meeting. Failure to comply with the new rules could lead to administrative or criminal sanctions, the law says.

"There cannot be foreign agents in Mexico arresting people or committing crimes," said Dolores Padierna, a lawmaker from the ruling Morena party. "They shouldn't meet with state or municipal authorities behind the back of the federal government, deciding who is a reliable authority or with

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whom they share information."

to share information with Mexican institutions they consider to be corrupt, and Mexican officials won't meet with their U.S. counterparts because of the requirement they disclose the meetings, said Mike Vigil, a former DEA director of international operations. "The policy will stifle bilateral cooperation," he added.

A senior Mexican government official said Gen. Cienfuegos's arrest had a huge impact on the country's security establishment. "There was a clamor to have clear rules, and respect for Mexico," he said. "The arrest was seen as an insult to Mexico. The government was blindsided."

The U.S. has 50 DEA agents posted in Mexico, according to Mexican officials. Security experts and former officials say those agents have provided the bulk of intelligence for a string of high-profile arrests and captures of leading narcotics traffickers, including legendary trafficker Joaquín "El Chapo" Guzmán, who twice escaped from a maximum-security Mexican iail before being arrested with the help of the DEA, extradited to the U.S. and sentenced.

Seoul Bans Regime-Taunting At Border With North Korea

Workers on a truck assembly line in Weifang, China, on Tuesday.

By Timothy W. Martin

SEOUL—For years, activist groups in South Korea have sent everything from Bibles to K-pop across the border to the North. Now, that could cost them up to three years in prison and a \$27,000 fine.

Late Monday, South Korea banned sending material across the border that was critical of the North Korean regime without permission from the Seoul government.

The new law, backed by the ruling party of President Moon Jae-in, drew criticism from North Korean defectors and human-rights groups, who accused the government of limiting free speech and undermining democratic values in an effort to improve relations with Pyongyang.

Inter-Korean ties have skidded to a low point this year. Kim Yo Jong, the sister of North Korean leader Kim Jong Un, blasted Seoul in June for allowing a defector-led group to tie antiregime leaflets to balloons and float them into the cloistered regime. Her criticism came days before North Korea blew up a jointly run liaison office. Ms. Kim said the leaflets had violated pledges to tone down hostilities between the two countries.

"Before making lame excuses, they should at least make a law to stop the farce of human scum," Ms. Kim said in the June statement.

The new law requires a range of antiregime materials—which can include USB thumb drives, money, loudspeaker broadcasts and printed materials—be approved by South Korea's government before crossing into the North. It also applies to activity considered a serious danger to South Koreans, conducted through unspecified third countries. Seoul officials haven't offered detailed guidance on what the conditions for approvals would be.

The inflow of leaflets, news, dramas and movies have reshaped the views of many North Koreans. Nearly two-thirds of escapees who have relocated to South Korea have been exposed



South Korean soldiers near the Demilitarized Zone this year.

to outside information, say surveys from the Database Center for North Korean Human Rights, a Seoul-based group. Many said the outside information heightened their desire to leave.

The Kim regime has publicly executed those it accused of widely selling or distribut-

Violators of a new law would face up to three years in prison and a \$27,000 fine.

ing content smuggled from across the border, Pyongyang watchers say.

Mr. Moon, who has sought to warm ties with the North, has fielded a barrage of criticism from human-rights groups. Last month, South Korea, for the second straight year, didn't co-sponsor a United Nations General Assembly resolution condemning North Korea's human-rights violations.

In a letter Tuesday, an international coalition of more than 300 civil-society groups called on Mr. Moon to give priority to North Korean human rights, especially during a pandemic when the Kim regime has tightened surveillance and reportedly executed individuals caught while trying to flee.

"President Moon Jae-in should condemn North Korea's abusive measures on Covid-19,

not look the other way for the sake of inter-Korean diplomacy," said Eun-Kyoung Kwon, secretary-general at the International Coalition to Stop Crimes Against Humanity in North Korea, which signed the letter.

The new restrictions against antiregime materials were necessary to protect the safety of South Koreans living near the border and to uphold inter-Korean agreements, said Choi Jieun, a spokeswoman for Mr. Moon's ruling Democratic Party. South Korea's unification ministry objected to assertions the law infringed on free speech, adding it applies only to activities that pose a serious threat to South Korean citizens.

Some activists pledged to maintain their work. One of them, Park Sang-hak, a North Korean defector who heads a group that sent leaflets across the border, plans to challenge the law in court if it takes effect, his lawyer said. The bill will become law after three months.



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FROM PAGE ONE

Landscape Work Suits Hired Goats

Continued from Page One

"We were looking for positive distractions," Mr. Davis

Not that you have to be a child. Sarah Baird rented some goats to control the weeds at the rural home near Buffalo, N.Y., where she and her husband were bunkered in September, and soon found she enjoyed their company. "We've actually had family conversaabout whether we should get our own goats," she said.

Hiring goats and sheep as landscapers goes back a ways. The White House had a flock of sheep to keep weeds in check during World War I. Competition from gas-powered lawn mowers and then weed whackers eventually put most animals out of work.

In recent decades, a generation of ecoconscious, animalloving Americans rediscovered goats. Goatscaping companies are particularly common in California, where mild winters allow for year-round grazing.

Renting five goats might cost around \$500 for a week.



Pandemic restrictions are no deterrent to 'goatscaping'; above, a rented herd clearing weeds on some land in Agoura Hills, Calif.

Goatscaping companies provide a fence and water buckets plus, if needed, a herder.

Goats typically arrive by trailer, scan the grounds, then set to work. Before long, little vegetation is left.

"It's like mowing your lawn but with four-legged weed whackers," said Larry Cihanek, who has 180 goats in Rhinebeck that he rents out for landscaping jobs in several states.

Goatscaping has its challenges. The goats form relationships with each other, and they can become miserable when they are separated, according to Mr. Cihanek. He said he keeps such goats together on assignments.

The job isn't particularly dangerous, but injuries can happen. One of Mr. Cihanek's goats grazing in a cemetery broke a leg when it got stuck between two tombstones. He created a cast and put the worker back on the job after

While out weeding in the fields, some goats have tried to make a break for it. "A goat will clear a 6-foot fence from a stop," said Genevieve Church, who runs a goatscaping nonprofit called City Grazing in San Francisco.

On assignment years ago,

some of her goats went on the lam. They broke into a neighboring garden, destroying a collection of roses. Ms. Church had to pay for the damage.

The neighbor wasn't upset for long. "He thought it was the funniest thing," she said.

City goats often need overnight supervision. Those at Stuyvesant Cove Park in New York were kept inside the park by a fence that the goat supplier built, but Ms. Thompson felt compelled to sleep in a van in the park to keep an eye on them.

On the first morning, she woke up to voices. "I look out my van window and there's a

dude standing there feeding them chips," she said. "I was like, 'Sir, can you not do that, please?'

Landscaping is a second career for many goats, after working in the dairy trade. Some owners have followed an analogous course, ditching deskbound jobs for the goat

Mr. Cihanek spent decades in the Manhattan advertising industry before moving upstate and buying a farm. Jennifer Zeitler, who runs Let's Goat Buffalo, the company Ms. Baird booked, worked in corporate employee benefits before deciding she wanted to be

closer to nature.

With 15 goats, Let's Goat Buffalo is one of the newer and smaller goatscaping ventures. Among the biggest is Living Systems Land Management in Coalinga, Calif., which has around 9,000 goats and sheep. It recently sent 1,200 goats to clear weeds from a levee alongside the Sacramento River so engineers could more easily spot any holes, said Mike Canaday, one of the

Each spring, hundreds of his goats arrive in Agoura Hills, northwest of Los Angeles. Guarded by herders and dogs, they spend six to eight weeks on 80 acres of open land around homes, clearing it of anything that could tempt a

At \$50,000, the goats cost about half as much as hiring people to control the weeds over the course of a year, said Jan Gerstel, president of a local homeowners' association.

And they leave no cut grass behind. He credits their appetite with saving his neighborhood from a 2018 blaze called the Woolsey fire, which destroyed more than 1,500 buildings on 97,000 acres and took several lives. Mr. Gerstel said the flames reached the edge of the area the goats had grazed on, then stopped.

"They literally eat down to the dirt," he said, "and there's nothing left to burn."

Teacher ShortageHits Hard

Continued from Page One Arizona. At the start of the school year in August, school districts weren't able to hire traditionally certified teachers for 78% of 6,145 open positions, according to a survey by the Arizona School Personnel Administrators Association, an organization of human-resource managers. The survey included responses from 145 of the state's 236 school districts; there are roughly

the state. Half the open positions, or 3,080, were filled by emergency substitutes, recruits from other countries and student teachers. A third, or 1,728, were left vacant or covered by consolidating classrooms, paying teachers to work through their planning time or having principals pick up classes.

60,000 teacher positions in

At least 460 teachers resigned, retired or took unpaid leave due to Covid-19 and an additional 200 either didn't show up for the first day of school or quit within a few weeks. Retirements spiked from August to October, up 24% from the year before.

Andrea Murphy, an advanced-placement psychology teacher, took early retirement

'You're basically hiring a glorified baby-sitter,' one parent complains.

six weeks into the semester at a high school in the Mesa Public Schools district southeast of Phoenix. The 54-year-old was three years shy of 30 years' tenure, a milestone that would have added \$850 a her retirement month check.

Mrs. Murphy said she became physically ill from stress once she was back in the school building this fall, teaching a mix of in-person and remote students. She wore scrubs, a mask, a face shield and a beanie, gear she knew was overkill but made her feel

"Many of us in education have felt disposable since this Covid period," she said. "I was done." She is now studying to be a paralegal.

Staffing is a daily struggle, said Kristi Wilson, superintendent of the Buckeye Elementary School District southwest of Phoenix. Dr. Wilson, who leads a Covid-19 response task force as president of the professional group AASA, The School Superintendents Association, said her peers nationwide are also struggling to

find enough teachers. "It's everyone," she said. "Large districts, small districts, rural, urban. A common

theme is people are resigning, people are retiring, taking leave to care for sick parents and they're not able to fill those positions."

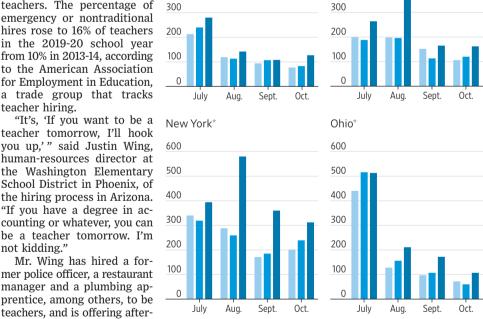
Educational achievement has suffered, although academics say it is too soon to know how much is due to general pandemic-related stress or shortcomings in online and hybrid learning. Districts nationwide are reporting that in the first quarter, as many as half of middle- and highschool students are failing at least one class. A November report on test results of more than two million math students found they had fallen behind, needing as much as 12 weeks to catch up to where they were expected to be in

it was unlikely the pipeline of college students studying to become teachers would keep pace with retirements and at-

Even without the pandemic,

Kindergarten teacher Amber Fusco shifted to online teaching at Phoenix's Shaw Butte Elementary.

State-by-state retirement data don't show a uniform nationwide trend, but in some states that allowed in-person classes, teacher retirements increased or shifted toward the fall compared with prior years.



Monthly retirements among K-12 instructional staff, select states

Louisiana

*By date of retirement application, not actual retirement Note: New York figures exclude New York City, which operates a separate retirement system. Source: state teacher retirement systems

rest of the semester, citing staffing shortages.

"She's not getting an education." Ms. Kidd said, of her 15year-old. "There's no way."

Amber Payne, a 21-year-old graduate student in hospitality, is subbing this fall for \$68 a day in suburban Atlanta. She said she hasn't yet used a lesson plan and typically does her own college assignments while students sit at their desks and do virtual work assigned them by their regular

"I don't think I could be an actual teacher," she said, citing the challenges of managing a classroom of 30 restless high-school students.

Arizona has the highest average class size in the U.S.. with 23.5 pupils per teacher, compared with 16 nationwide, according to the National Center for Education Statistics.

It has among the lowest median pay in the country, when adjusted for cost of living, at \$46,404 for an elementary schoolteacher, compared

with \$60,461 in neighboring New Mexico, according to Expect More Arizona, a group of community and business leaders advocating for increased education spending. That's after a spate of pay increases on the heels of the state's trademark "Red for Ed" protests two years ago. In November, voters approved a ballot initiative raising income taxes on high earners to support education spending, but it faces le-

Substitute search

Acacia Elementary School in northwest Phoenix, principal Hollingsworth Christine greeted kindergartners at the front door as they stood on X marks waiting to have their temperature taken and fiddling with masks.

"Good morning!" she said.

there!"

seeking a substitute for the art teacher, who was out with allergies.

Lindsay Huth/THE WALL STREET JOURNAL

2018 2019 2020

Massachusetts

Washington

300

200

600

500

400

300

200

The office manager was also absent, so teachers and other aides took turns playing that role. Ms. Hollingsworth said she tries to do her part. filling in as a substitute teacher and as facilities manager for three months this fall, coaching the custodians on maintenance. "It's all hands on deck," she said.

Over the summer, Ms. Hollingsworth went to the Washington Elementary School District's candidate database to see if she could fill a handful of vacancies created by teachers who didn't feel comfortable returning to school. There were five applicants for dozens of teaching jobs at 32 elementary schools.

She said she is lucky to have seven paid student teachers through a program with Arizona State University. The students work full-time in a classroom instead of a typical part-time assisting role.

"Without these student teachers, there's no one," she said. "Literally no one." Across town, Shaw Butte

kindergarten teacher Amber Fusco is one of two certified teachers responsible for inperson learning for the school's 100 kindergartners, most of whom are enrolled in hybrid learning and are rotating in and out of school in groups. Three student teachers help her out.

On a late October day, she modeled for a dozen in-person kindergartners how to put the top on their glue stick, put their crayons away, push their chair under the table and stow their artwork in their cubby. She over-enunciated to help students learn spoken English since they cannot see her mouth through a mask.

The district recently switched back to all-virtual learning, citing a substantial increase in local cases of Covid-19. Ms. Fusco now spends her day coordinating remote learning and adapting lesson plans, such as how to write, recognize and speak the letter "O" through worksheets and quick bursts of live online instruction instead of games and in-person modeling.

By the end of a normal year, Ms. Fusco's students would know how to count to 100, recognize sight words and speak in complete sentences.

This year she is trying to be realistic. "The hardest thing for me is keeping all the chil-

dren straight," she said. Shaw Butte principal Tracy Maynard moved seven of her 29 teachers to different grade levels or to combined gradelevel classes to compensate for vacancies and ensure proper class size.

Staffing challenge

Two of her vacancies came from people trying out teaching as a second career. "One didn't work out," she said. "One made it two weeks and

An additional staffing challenge in Arizona is that schools must provide space for students whose home situation doesn't allow for distance learning, even if the school isn't open for in-person instruction.

Shaw Butte has two dozen students in its daily program, based in a classroom on the far side of campus. There is no teacher to oversee them, so Ms. Maynard cycles through staff as they're available.

Students do their virtual work, which takes 60 to 90 minutes then watch videos, fidget in their seats or go out to the playground when it isn't

"It's hard for the children," she said. "They are doing a little bit of work and then they're just sitting in a room."

Ms. Maynard, head of the district principals association. said worries that the constant change and increased workload will force teachers out, exacerbating the shortage.

"Everyone says it is like getting on a plane while you're building it," she said. "But who's dumb enough to get on a plane that is not built?"

Nontraditional hires To compensate, states are increasingly relying on alternative or emergency credentials to allow people who have no formal training to become teachers. The percentage of emergency or nontraditional hires rose to 16% of teachers in the 2019-20 school year from 10% in 2013-14, according to the American Association for Employment in Education.

teacher hiring. "It's, 'If you want to be a teacher tomorrow, I'll hook vou up.'" said Justin Wing. human-resources director at the Washington Elementary School District in Phoenix, of the hiring process in Arizona. "If you have a degree in accounting or whatever, you can be a teacher tomorrow. I'm not kidding.

Mr. Wing has hired a former police officer, a restaurant manager and a plumbing apprentice, among others, to be teachers, and is offering afterhours training toward traditional certification.

Vacancies are exacerbated by teachers needing to quarantine and a shortage of substitute teachers, particularly long-term substitutes who fill in for months or a year in a classroom. Many experienced substitutes are retired teachers who don't want to risk infection or are tentative about online learning platforms.

In August, Missouri lowered substitute-teaching requirement to a high-school diploma and an online training course; Iowa lowered the minimum age to 20 from 21 and education level to an associate degree from a bachelor's. In November, Scottsdale

Unified School District in Arizona asked parents to consider applying for emergency substitute certification, which requires a high-school diploma and background check.

"I thought it was a joke," said Sandra Kidd, mother of a ninth-grader at Scottsdale's Chaparral High School, "You're basically hiring a glorified baby-sitter."

Chaparral recently cancelled in-person classes for the gal challenges.

On a recent morning at

"I see your smiles under

Ms. Hollingsworth had been up since 4 a.m., fruitlessly

GREATER NEW YORK



Gov. Phil Murphy applauds as resident nurse Maritza Beniquez got the Pfizer-BioNTech vaccine Tuesday at a Newark hospital.

Vaccinations Launched in N.J.

About 76,000 doses will be available this week for front-line health-care workers

By Joseph De Avila

Covid-19 vaccinations for front-line health-care workers have begun at New Jersey hospitals nine months after the state recorded its first infection of the pandemic.

New Jersey is set to receive 76,000 doses of the vaccine manufactured by Pfizer Inc. and BioNTech SE this week. About 20,000 of those doses have been set aside for longterm-care facilities, and the rest are for hospital workers most at risk of exposure to Covid-19.

Six New Jersey hospitals began vaccinations Tuesday. An additional 47 New Jersey hospitals are expected to begin administering vaccinations by the end of the week.

Maritza Beniquez, resident nurse in the emergency department at Newark's University Hospital, was the first New Jersey resident to receive the vaccine. She said she would no longer have to fear getting sick. "I won't have to be afraid to

go into a room anymore. I won't have to be afraid to perform chest compressions or to be present when they are intubating a patient and giving a breathing treatment that is necessary," the 56-year-old said.

The state's first phase calls for vaccinating 650,000 people in the health-care field and in long-term-care facilities over the next several weeks. Gov. Phil Murphy said the shots will become available to the general public by April and May.

The beginning of vaccinations comes as New Jersey is dealing with a new surge of infections. The state recorded a seven-day average of 4,740 new Covid-19 cases Tuesday. And

3,660 people were hospitalized with the disease or were awaiting test results in the hospital as of Tuesday. There have been more than 15,900 confirmed Covid-19 deaths in the state.

New Jersey hospitals are

preparing for an influx of patients in the next few months. One model produced by the state's Department of Health estimates more than 8,700 people could be hospitalized if the public ignores warnings of the dangers of attending private gatherings over the holidays and becomes lax with masking and social distancing. hospitalizations Covid-19 peaked at 8,270 in the spring.

Mr. Murphy said the arrival of the vaccinations marks a turning point. "It was an incredible thrill to witness these first vaccinations," he said. "We know this is not the end, but we know we are witnessing at least the beginning of the end."

In New York City, hospitals began administering the vaccine Monday. Nearly 41,000 doses were available at 42 hospitals citywide Tuesday, Mayor Bill de Blasio said. "Our hospitals are ready. They have been waiting for this moment preparing," he said.

The mayor also warned residents that the city likely will go into a lockdown, with only essential businesses open after Christmas as infection and hospitalization rates continue to rise. Any lockdown and restrictions would be mandated by Gov. Andrew Cuomo.

"We are just on the verge of a huge breakthrough with the vaccine, but we're also dealing with a second wave," Mr. de Blasio said. The average percentage of

people testing positive for the virus over the past week was 5.51%, city data showed. Hospitalizations have been up over the past few weeks, with 160 people admitted Sunday.

—Katie Honan contributed to this article.

N.Y. Seeks Answers **About Virus Spread** On Mass Transit

By Paul Berger

Transit officials in New York are teaming up with the Department of Homeland Security and Massachusetts Institute of Technology to study how to reduce the spread of the Covid-19 on buses and trains.

If—and how much—the virus spreads on mass transit is a stubborn question. Ridership is down in cities world-wide largely due to people working from home and businesses closing, but also because of fear of contracting the virus.

Studies and reports this year have drawn conflicting conclusions about the extent to which the virus spreads on mass transit. Some of the studies have been conducted by economists and transit specialists who don't have expertise in the spread of viruses and other pathogens.

Researchers plan to release different types of water-based aerosols, including those that mimic respiratory droplets which can be inhaled by people within 6 feet of each other, as well as tiny particles that can travel farther and linger in the air for hours. The studies will be conducted on transit vehicles that are not in service. They will be carried out on vehicles in their normal state, as well as on those with doors and windows open and with enhancements to ventilation and air-filtration systems. The study will be led by MIT's Lincoln Laboratory.

Don Bansleben, a program manager at the DHS Science and Technology Directorate, said it is clear that mass-transit passengers in the U.S. might have been exposed to the virus by fellow riders. However, he said, "I don't believe there's any definitive evidence that has shown that public transportation is really a source of spreading the virus, especially

in large clusters of people."

New York's Metropolitan Transportation Authority carried about 8 million riders daily on the subway, buses and two commuter-rail systems before the pandemic. Its operations are focused on New York City, which bore the brunt of the pandemic in the spring. Weekday subway ridership is down about 70% compared with prepandemic levels. Weekday commuter-rail ridership is down between 75% and 80%.

Meghan Ramsey, a researcher at the Lincoln Laboratory who is leading the study, said the idea is to measure contamination in the air and on surfaces to understand the relative risk of contracting the virus and the efficacy of mitigation methods.

Mark Dowd, the MTA's chief innovation officer, said the agency asked DHS to conduct the study to determine scientifically whether the virus can be transmitted on transit and how to mitigate any risks.

The emphasis in combating Covid-19 has shifted during this year from surfaces to air quality. The shift came as the Centers for Disease Control and Prevention said in the early summer that person-to-person interactions for extended periods, not surfaces, are the leading cause of infections.

The project team says the tests are safe. The mock viral droplets being released contain ingredients common in household products. Nevertheless, the study is subject to an environmental assessment and public comment period which began Tuesday. Researchers hope to start the study in late January or early February and to have results by early spring.

A DHS spokeswoman, Anne Cutler, said the agency hopes lessons learned from the study can be applied nationwide.

Restaurateurs Hope Outdoor Set-Ups Withstand Storm

By Charles Passy

Having already weathered myriad challenges this year because of the pandemic, New York City's restaurants are now facing a nor'easter set to arrive Wednesday.

The metropolitan area could see 8-12 inches of snow and wind gusts up to 50 miles an hour, according to the National Weather Service. That will test New Yorkers in general, but it could prove especially worrisome for the many dining establishments that have set up outdoor structures during the pandemic through the city's Open Restaurants program.

At issue are concerns as to whether the structures would be able to withstand the storm. Some in the industry fear that the winds could wreak havoc

with flimsier setups or that snow accumulated on roofs could cause a collapse.

Another worry is the possibility of the city's army of snowplows hitting and damaging the structures, particularly because many roadways are considerably narrower now that restaurants have been allowed to build out onto streets.

The city hasn't called for res taurants to dismantle the outdoor structures outright, but it suggests that establishments bring inside portable heaters and furniture or at least secure items in place. It is also putting a halt to outdoor roadway dining beginning Wednesday at 2 p.m., with the closure running through at least Thursday night.

"It's a new reality," Mayor Bill de Blasio said Tuesday of the complications restaurants



A snowplow did a test run in Manhattan earlier this year.

with outdoor setups would face during a snowstorm. Sidewalk dining would still be allowed during the storm, he added.

Restaurant owners say the challenge feels all the greater given how much they have endured this year.

"It seems like one thing afanother," said Zalaznick, managing partner of Major Food Group, a prominent New York restaurant operator whose establishments include Parm. Carbone and Sadelle's.

Like some other restaurateurs, Mr. Zalaznick said he has faith in the stability of the structures he has erected. 'There's no need to panic," he said, though he noted his setups could be removed if necessary and then reaffixed be-

ause of their modular design.

City officials said there shouldn't be issues with plows running into outdoor structures. The Department of Sanitation, which is responsible for snow removal, has three different size plows precisely because some streets and situations might not be able to accommodate the larger vehicles, said department spokes-

man Joshua Goodman. Mr. Goodman also noted that the department did test runs earlier this year with the plows to ensure vehicles could navigate streets even with the outdoor structures. "We've been practicing," he added.

Still, not all restaurants are resting easy. Giselle Deiaco. manager of the uptown location of Avena, an Italian dining spot on Manhattan's Upper East Side, said she plans to have two employees keeping an eye on the situation during the storm to make sure plows don't come too close to the outdoor structure. "We just hope whoever is driving it is intelligent enough," she said.

Jin Ahn, co-owner of Noreetuh, a Hawaiian restaurant in Manhattan, noted a silver lining: Demand for takeout and delivery can increase when the weather turns nasty.

Marriott Lays Off Hundreds of Workers at Times Square Hotel

By KATE KING

Marriott International Inc. is permanently laying off 850 employees from its hotel in Times Square, another sign that the hotel industry in New York City remains significantly hobbled by the pandemic.

Marriott recently told the workers that they will be let go March 12, nearly a year after more than 1,200 employees at the New York Marriott Marquis were furloughed as rising Covid-19 infections prompted the closure of nonessential

businesses and tourist spots. Those who remain on staff are either working or are expected to return to work soon, a Marriott spokeswoman said.

"These are actions we never thought would become necessary at our location," the hotel's general manager wrote in a Dec. 9 letter to laid-off workers reviewed by The Wall Street Journal. "The unprecedented severity of the Covid-19 crisis, however, has forced the location to make these difficult decisions."

New York City's hotel in-

dustry has suffered disproportionately due to the pandemic compared with the rest of the country as demand from corporate and leisure travelers has plummeted, said Jan Freitag, national director for hospitality-market analytics at CoStar Group Inc., a commercial real-estate data firm.

New York City hotel rooms reported 33.8% occupancy in the week ended Dec. 5, compared with 90.8% occupancy during the same week last vear, according to STR, a hotel-data firm owned by CoStar.

The occupancy rate for all rooms in NYC the first week in December was 24.7%.

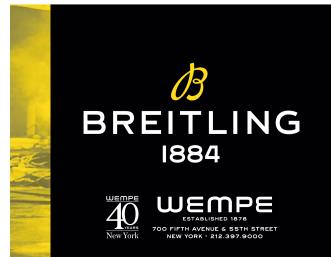
But that occupancy rate is based on actively available rooms and doesn't take into account hotels that have closed temporarily during the pandemic, Mr. Freitag said. The occupancy rate for all hotel rooms—open and closed in the city that first week in December was 24.7%

"For about a third of the inventory, the owners said, 'we are better off not being open,' which is just an astounding number," Mr. Freitag said.

The New York Marriott Marquis is located in the heart of New York City's theater district and has several ballrooms for large events. But the usually jam-packed neighborhood now offers little to draw hotel guests, with Broadway theaters set to remain closed until June and many office employees working from home.

Hilda Salcedo, a server who has worked for Marriott hotels since 2000 and at the Times Square location since 2013, said employees haven't been given details about possible severance packages. She said she had been preparing for the possibility she would lose her job, but the layoffs came as a shock to many co-workers.

The Marriott spokeswoman said laid-off workers will receive information about severance in early 2021.





GREATER NEW YORK

METRO MONEY | By Anne Kadet

New York-Area Ports Are Booming



Where is all the action this holiday season? At the area's shipping

ports. They are bustling. They are bananas. They are bursting with imports and record truck traffic rumbling through to haul it away.

"It's busy today!" exclaimed Deputy Port Director Bethann Rooney, surveying the system's Port Newark Container Terminal one recent morning. "You can tell by the number of trucks moving around, the number of ships in at one time."

This season has produced a record flow of incoming cargo at the Port of New York and New Jersey—driven in part by the insatiable demand for merchandise from people stuck at home during the pandemic.

In early fall, in preparation for the holidays, 55,000 shipping containers of furniture and bedding were unloaded at the port—a 32% increase from 2019. Coffeemaker shipments jumped 163% to 1,050 containers—that is about three million 12-cup machines.

"And washing machines, year-over-year, are up 2,600%," said Ms. Rooney, who learned to drive huge ships while attending SUNY Maritime College in the Bronx and joined the Port Authority in 1993.

The season's record volumes also reflect warehouse operators and retailers stockpiling goods to prepare for the possibility of another global-manufacturing shutdown, Ms. Rooney said.

There are more than a billion square feet of private warehousing and distribution space in New Jersey that accept containers of merchandise from the port for redistribution to retailers such as Walmart and Amazon.com. But now these



A container ship is docked at the Port Newark Container Terminal in New Jersey.

warehouses are full, and the logistics companies that run them are renting nearby parking lots to store the stockpiled inventory.

ll told, more than 430,000 containers arrived at the port in September and October, 18% more than in 2019, and a record for the period. That's a lot of stuff! To put it in fruit terms—which is always best—430,000 40-foot containers would hold more than 20 billion bunches of bananas.

Indeed, our port, which spreads across five locations in New Jersey, Staten Island and Brooklyn, is the largest on the East Coast and third-largest in the U.S.

It also is where container shipping was invented, in 1956, when a New Jersey trucking company owner loaded 58 containers directly from his vehicles onto a converted oil tanker bound for Houston.

"We're the first and the greatest!" Ms. Rooney said. I can't say if it is the greatest, but the port is really quite spectacular.

Touring the Port Newark terminal is like navigating a giant game of Tetris, only more predictable. Each of the 40,000 brightly colored containers typically on-hand is scanned, scheduled and tracked by central computer systems as it moves off the

Setting a record, over 430,000 containers arrived in September and October.

ship and through the terminal on a series of 18-story-tall cranes, top loaders and long-legged, sideways-moving straddle carriers.

While about 17% of imports leave on trains stretching more than 2 miles long, most head out on trucks. The first week in December saw 75,100 trips in and out of the port.

Trucks stop at a toll-

booth-like structure where a series of sensors and cameras scans and inspects them. The driver speaks to a clerk located in a remote office before getting marching orders dictated by algorithm.

any of the 15,000 truckers licensed to do business with the port make three to four trips a day between the terminal and surrounding warehouses. But with containers piling up because of the warehouse shortage, it is hard to move them efficiently, and wait times have lengthened. Now, some truckers are down to just one to two trips a day.

The ships themselves, which typically arrive monthly or weekly from Asia, Europe and South America, are so big it doesn't even make sense.

The typical carrier holds about 5,000 standard containers and is roughly 20 stories tall and 3.5 football fields long.

"And it floats!" Ms. Rooney said.

Rooney said.

Not every ship is the size

of an iceberg. We stopped to gawk at the Oleander, which travels weekly between New Jersey and Bermuda carrying about 450 half-size containers. It is the only container vessel running between the U.S. and the tiny country.

U.S. and the tiny country.

"The island of Bermuda is 100% dependent on that ship," Ms. Rooney said.

And not everything arrives in a container.

We drove past mountains of rock salt imported from South America, piles of Belgian brick on its way to landscaping firms, and silos of nut and vegetable oil headed for area cookie and cracker factories.

The 460-foot Viking Odessa, berthed at the north end of the complex, turned out to be a floating parking garage that can transport thousands of vehicles—in this case, it was exporting used vehicles to Haiti.

When cars are imported, workers with the International Longshoremen's Association move the vehicles off the ship. They ride up in a van together and drive the new cars down the ramps, one by one. A worker might make 20 to 30 trips a day.

The vehicles are parked in a mile-long lot where they are accessorized by auto processors with features such as spoilers before distribution to dealerships.

Toward the end of the tour, I expressed amazement that this operation not only supplies much of the merchandise purchased by consumers in the Northeast and beyond, but is replicated in ports around the globe, keeping us neck-deep in mattresses and microwave ovens.

"And it started here in New York and New Jersey," Ms. Rooney added. "Did you hear me? It started here in New York and New Jersey!"

anne.kadet@wsj.com

GREATER NEW YORK WATCH

QUEENS

Traffic Agent Pinned Under 18-Wheeler

A New York City traffic agent was rescued from underneath a tractor-trailer after being struck by the 18-wheeler Tuesday morning in Queens, police said.

Firefighters and police officers freed the agent, who was hit at about 10:30 a.m. on Broadway in the borough's Astoria neighborhood.

The agent was conscious and alert and was taken to Elmhurst Hospital for neck and back pain. The agent was listed in stable condition, police said.

The driver of the tractor-

trailer remained at the scene.
Sgt. Edward Riley, a police
spokesperson, said no criminality
is suspected.
Bystander video showed res-

cue workers surrounding the vehicle with wooden planks to free the agent from under the tractor-trailer.

—Associated Press

CONNECTICUT

Drought Eases, but Caution Still Urged

Drought conditions have improved, but Connecticut officials are still urging residents to be careful about their water usage.

The Office of Policy and Management announced Tuesday the state's drought work group voted last week to improve the drought stages in six of Connecticut's eight counties. With these latest changes, all counties except New London are considered to be in the first stage, or below normal conditions. That means despite recent rainfall, there is still some cause for concern over issues such as groundwater and reservoir levels.

New London County is now in the more serious second stage, which means groundwater and streamflow continue to remain below normal region-wide.

Interagency Drought Workgroup Chair Martin Heft said if consistent rainfall continues, there is a "high probability" concerns might be assuaged.

—Associated Press



It is illegal for landlords and real estate agents to deny you housing opportunities because of your ethnicity. The Fair Housing Act prohibits housing discrimination based on national origin. If you believe you have experienced a violation of your rights, file a complaint.

Go to hud.gov/fairhousing or call 1-800-669-9777
Federal Relay Service 1-800-877-8339



FAIR HOUSING: THE LAW IS ON YOUR SIDE.

A public service message from the U.S. Department of Housing and Urban Development in cooperation with the National Fair Housing Alliance. The federal Fair Housing Act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability.





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Ways to Help Others In This Holiday Season

Some of the messages of hope from spiritual leaders amid the pandemic

By Clare Ansberry

he Rev. Carmen D'Amico stood before his congregation in Muse, a former coal town in western Pennsylvania, and talked about not giving into despair and darkness.

"Being in a pandemic doesn't mean you stop doing what is good," he told the members of Holy Rosary Catholic Church on a recent rainy Sunday morning, all wearing masks and sitting in every third pew to keep safe distance. "If you know someone is alone, call them up. Reach out to them. Do you have elderly neighbors who need their leaves raked? Do it. Don't wait for anyone to ask you."

Simple actions matter, he says. "We need to support each other to get through this. We need to be the light for each other."

Religious and community leaders, who like everyone else have been grappling with the pandemic for months, need a special message for the 2020 holiday season. People are exhausted by the crisis that they thought would be over by now. Many have lost loved ones and jobs. They miss family and friends they can't safely visit, an absence deeply felt during a season traditionally

filled with gatherings and festive concerts and pageants.

Here are some of the messages that spiritual leaders are delivering during a time of distress.

Make a Difference

The pandemic has made many people feel helpless, says Rev. Mark Feldmeir. "How do we create an opportunity for people to feel empowered and make a difference?"

He and his staff at St. Andrew United Methodist Church in Highlands Ranch, Colo., talked about the importance of nostalgic family rituals, especially in a year when the pandemic has interrupted so many traditions. They came up with a twist on the Advent wreath, a practice that involves lighting candles to mark the passage of four Sundays before Christmas.

The church distributed small cardboard boxes in the church parking lot to members of the congregation before the Nov. 29 start of Advent. When the lid is removed, the sides fold down and become a flat cardboard wreath with tea-light candles attached—one for each Sunday before Christmas and another in the center for Christmas Day. Members are invited to join a virtual candle-lighting service at 5 p.m. each Sunday on Zoom.

"We also had a little outreach component," says Rev. Feldmeir. Each week, members have been asked to drop off a particular item, such as socks, hats or mittens, at a station in front of the church. Just before Christmas, they will bring sleeping bags and winter jackets. All the items will be distributed on Christmas Day to four agencies serving the homeless.

Look Outward

For Hanukkah, the eight-day Jewish Festival of Lights that began on Thursday, Rabbi Batsheva Meiri of Congregation Beth HaTephila, a Reform congregation in Asheville, N.C., tells the story of how the Jewish people lost their temple and reclaimed it: They had only one day's worth of oil to light the menorah to rededicate their temple, but the candles continued burning for eight nights.

"I talk about this every year, but this year it takes on new significance," she says. Nine months into the pandemic, people feel spent. "We have just a tiny bit of gas left to get us through this. But we surprise ourselves," she says. "We see and hear all those stories of people, health-care workers and others on the front line, who are able to tap into a reserve and do what they How can people keep going? Look outward. Notice if a neighbor needs something. "When we are engaged in serving others, there isn't the same place and space for

need to do in the darkest of times."

Being separated from loved ones during the holidays is difficult, she says, but such longing is also a sign of the many deep connections in our lives. "If we didn't feel sadness and longing, that

Write a Letter

would be really sad.'

darkness," she says.

This year, Christmas cards matter more than ever, says Rev. Michael Curry, presiding bishop of the Episcopal Church in New York. He recently received a handwritten letter and immediately sat down to read it, feeling touched that someone had taken the time to write.

"It is worth the extra effort to send a handwritten Christmas card. I may not be able to touch you, but I can see your handwritten words," he says. "Let me tell you, that makes a difference, especially this holiday season, when so many people will be alone."

He encourages sending cards to family and friends—but also to one or two others: "People in your community, your church or club, someone you normally wouldn't send a card to."

Every day, he

says, he asks himself how he will intentionally and deliberately love God, himself and his neighbors. Sending a Christmas card is one of those ways. "Anything we can do to brighten the life of another," he says. "Even if it's just a little bit. That's OK. It doesn't take a ton of light to cast away the darkness."

Seek Unity

Adrian Williams considered canceling her annual Kwanzaa celebration this year because of Covid-19.

"Then I looked at what was happening in our country and our community and thought we need it now more than ever," says Ms. Williams, who is director of the Village Project in San Francisco, a nonprofit youth-enrichment program. Every year for the past 14 years, she organized a community celebration of Kwanzaa, which runs from Dec. 26 to Jan. 1 and celebrates seven values, one each day, with the lighting of a candle. The holiday, which isn't tied to any specific religion, celebrates African heritage.

The first day honors unity, which this year takes on special meaning. "This country is so divided and in order for us to heal,

we have to do it collectively," she says. "We need to take care of each other. My brother's problem is my problem." With so many people unemployed and small and minority businesses hurting in the pandemic, Day 4, dedicated to Ujamaa, or cooperative economics, is even more important. "We encourage people to shop at small businesses and keep money in the community."

This year, the Villages Project will stream nightly services from different venues, lighting the candles and honoring those who have died. As food is a big part of Kwanzaa, a no-contact meal pickup will be provided. Each evening's program will end with a 45-minute performance of a local blues band. "I love the blues," she says.

If Ms. Williams had to offer one message for Kwanzaa 2020, she says, it would be simple: "Be kind. Try to do something good and pro-

ductive every day. Be a doer of the Word, not just a hearer of the Word."

Spread HopeOn the first Sunday of Advent, Rev.

Paul Robeson
Ford, senior pastor
of the First Baptist
Church in WinstonSalem, N.C., talked
about hope during a
service live-streamed on
YouTube and Facebook.

We light the first can-

dle on the Advent
wreath, representing
hope even in the
midst of a pandemic and everything we have endured," he said,
noting that a vaccine would be making its way to the
public. "There is rea-

fore Advent is over, the end of this pandemic will begin."

It's a message especially important for the large number of people in his congregation who are in their 80s and 90s and live

son to believe that be-

"The church
was the center of
their social life," he
says. They participated in full productions
of Handel's Messiah, live nativity displays and organized elaborate Christmas-card exchanges.
Some are gold-star members,

alone.

years.

Many didn't know much about social media, but now have Facebook accounts so they can watch the services online. The church is making sure they receive Christ-

mas cards and phone calls.

meaning they have belonged to

the 141-year-old church for 50

Harriet Smith recently turned 100, and church members sent her cards and gifts. She sent a thankyou card, read at the Advent service. "You all make me feel so special," she wrote. "Nice things seem to bloom from you."

Now Delivering to a Suburb Near You: City Restaurants

By Alina Dizik

or months, Kate and Ben Masino had failed to find a time for the 40-minute drive from their home in Devon, Pa., to Philadelphia's Fork restaurant for a date night. But in the midst of the pandemic, the couple found the next best thing: They ordered Fork's \$90 champagne-braised chicken for two, and picked it up

at a local business just five minutes from their home.

It was a win, says Ms. Masino, a 36-year-old health-care executive with two children. The couple had never been to Fork before, and found that the quality was predictably better than local offerings. "We were sick of the

usual suspects in our area," she

High-end urban restaurants have long thrived with the help of suburbanites traveling into the city for a night out. Now those same eateries are making the reverse commute.

The pandemic has brought limitations on in-person dining, and many suburban diners have found themselves too far from city restau-

rants to stop in for pickup or get regular delivery. So urban restaurateurs are coming up with creative ways to get their food to people who live outside the city, even if it means setting up camp in a suburban parking lot.

Exclusive restaurants such as

New York's Eleven Madison Park and Chicago's Alinea now offer multiple suburban pickup locations via the reservations platform Tock,

with diners paying around \$50 to \$120 per person. Suburban pickups have sold out quickly and "generated tens of millions of dollars in revenue," says Tock's chief marketing officer Bryan Ferschinger.

In November, Chicago restaurant group One Off

group One Off
Hospitality started offering suburban fans a three-week-long Supper
Series with pickup locations 20 to
30 miles away from its restaurants.
Recipients pay \$140 for four-course
meals for two from the group's restaurants, including Publican and
Avec. Since November, the group
has sold more than 1,400 subscriptions, according to chief executive
Karen Browne, and the revenue
stream is comparable with a busy



Above, takeout orders ready for pickup by suburban diners in Oak Park, Ill. Left, a dinner for two, ordered from Fork restaurant in Philadelphia.

weekend evening. "The Supper Series really has brought back that bustling Saturday night feel," she says

Jason Ward is a residential painting company owner in Benbrook, Texas, about 20 minutes outside Fort Worth. Mr. Ward recently worked with Reata, one of his favorite Fort Worth restaurants, to establish a drive-through pickup spot for orders at a church parking lot in Benbrook. Since the first event this spring, other downtown restaurants have followed suit, he says, and regular pickups from the lot now feel like a social scene. "There are 60 or 70 cars and people waving out their car to each other" he says

cars and people waving out their car to each other," he says.

Randi Gurian, 68, lives in Wilmette, Ill., about 20 miles outside Chicago. The retired nonprofit executive uses Tock to order weekly delivery from Chicago restaurants owned by Lettuce Entertain You

Enterprises, which delivers to cer-

tain suburbs in the area. This fall, Ms. Gurian and her husband held a socially distanced outdoor dinner party in the couple's leafy backyard, inviting friends who live outside the restaurants' delivery area. "I love that I live in the right suburb for this," she says.

Still, she says the quality of restaurant entrees aren't always up to snuff when consumed at home. With restaurants outside the Lettuce Entertain You group, she says, "I have sometimes found when we bring things home, it's uneven how well those [options] have worked."

uneven how well those [options] have worked."

Suburban deliveries can be logistically challenging for restaurants. Washington, D.C.-based restaurateur Fabio Trabocchi is working through the logistics of delivering food from his four upscale restaurants, including Fiola, to nearby suburbs. In the past few

months, his restaurants have

ramped up deliveries to Bethesda,

Md.; Potomac, Md.; McLean, Va., and sometimes even farther for a delivery fee of roughly \$30. Meals are costlier to prepare for delivery, he says, because diners expect larger portions for multiday consumption and many dishes require additional sauce to keep them

from drying out.

Sean Feeney, co-owner of Italian restaurants Lilia and Misi in Brooklyn, invested in two refrigerated trucks to deliver food to customers who have relocated to the suburbs. The delivery business has expanded so quickly that it allowed the company to bring back furloughed employees sooner than expected, he says.

The demand for these types of services may have staying power beyond the pandemic, says Allen Shulman, co-founder of DwellSocial, a startup that works with Chicago restaurants to coordinate suburban food pickups. Mr. Shulman says many of his suburban customers are eager for options beyond pizza delivery. Restaurants "are starting to realize the material impact that offering services to the suburbs can have," says Mr. Shulman, who plans to expand the service to additional cities in 2021. But some restaurants view de-

livery as a temporary solution.

Ellen Yin, co-founder of Philadelphia's Fork and High Street restaurants, is offering Fork's food for pickup at various suburban locations. But she says once pandemic restrictions are lifted, the priority will be inviting guests back to the dining room. "We are trying to get to the other side of the pandemic," she says, "and we just want people to remember us."

PERSONAL JOURNAL. | FAMILY & RELATIONSHIPS

Schools Speed Up Internet for Rural Students



FAMILY & TECH JULIE JARGON

aura Gomez's two children were using her smartphone's hot spot to log in to remote school early this fall, but the video calls often dropped.

The connection was so weak the children couldn't always see or hear their teachers.

Ms. Gomez, who lives in a small agricultural community in California's Central Valley, often had to drive 20 minutes east to her sister-in-law's home in Modesto so her children could connect to their first- and fifth-grade classes using their aunt's home broadband.

Then, in late September Ms. Gomez received a Motorola router and modem from the Patterson Joint Unified School District, and now her family has high-speed internet at home. "I'm so happy we have this for the children. The children are happy, too, because they can see everything more clearly now," she said.

School districts and cities across the country are racing to bridge a digital divide that has existed for decades. According to data collected before the pandemic, approximately 30% of U.S. K-12 public-school students lived in households without either an internet connection or a device adequate for distance learning, according to Common Sense Media. That is 16 million children.

At least 39 states have said they would use funds from the federal Coronavirus Aid, Relief and Economic Security (Cares) Act to help school districts close the tech gap, according to the National Conference of State Legislatures.

The fixes can be fairly simple. School-district and municipal IT departments are using technology that has been around for years, such as solar-powered antennas to transmit Wi-Fi, or wireless broadband, closer to more peoples' homes. With fresh funding comes more elaborate fixes, such as extending a school's network infrastructure right to students' doors.

The hardest part is determining exactly who needs access. School districts survey parents about their

internet needs but don't always get a high response rate. Administrators can narrow down which students are likely to be in need based on whether they qualify for free and reduced-price lunches.

Some districts also are relying on geographic information system software—used for decades to draw school boundaries and create bus routes—to map out neighborhoods with the highest concentration of families with bandwidth needs, so they can place radio or broadband antennas strategically to have the broadest reach.

Districts also can look at internet service providers' coverage maps to

determine who might have connectivity, but they aren't always accurate. "We'd enter a family's physical address on a website, and it would say service is available, but when we went out there, that wasn't the case," said Jeff Menge, assistant superintendent of business services at the Patterson school district.

Mr. Menge re-



The Gomez children—Yaneth, 6, and Gabriel Ignacio, 11—get high-speed internet at home because of a router and modem their public school district in California's Central Valley provided; left, their mother, Laura.

Investments in closing the digital divide are a rare positive outcome of the pandemic.

called how over a year ago he began getting alerts from the district's security company. He checked school cameras and saw children were entering school grounds at night and on weekends with their laptops to access the Wi-Fi. "It hit me how much families are struggling when I realized that children have to jump the fence at school to do their homework," he said.

The district had enough laptops to loan one to every student, but officials knew many of them probably didn't have internet access. Mr. Menge said more than 70% of the district's families are low income and up to 40% live in rural areas where high-speed internet



isn't available.

Sharing hot spots between families wasn't ideal because of spotty reception, data caps and frequent connection drops, especially when more than one student at a time was connected. "It wasn't acceptable," Mr. Menge said.

The district decided on a morepermanent fix—a private network developed by Motorola Solutions. Families can connect directly to schools' internet as if they were in the building. The district has control over who accesses the network, and which websites users can access. The district provides families with a router and a modem that communicates with private wireless broadband run on the Citizens Broadband Radio Service.

The Patterson school district has installed antennas—each with a radius of up to a mile—at six of its eight schools and

plans to install two more. That should provide enough range to bring high-speed internet to all 6,000 of its students. Cares Act funding covered about 70% of the roughly \$2 million project.

Philadelphia, with funding from Comcast Corp., private donors and the Cares Act, began offering free hotspots or

wired internet service in August to families in the city's public, private and charter schools. As of July, about 18,000 households lacked stable internet service, the city estimates.

It has been hard to persuade some families to sign up, said Mark Wheeler, Philadelphia's chief information officer. "There is a distrust of government and of free programs, because there always seems to be a gotcha. And there is a distrust of telecom companies," he said. So far, nearly 9,500 families have enrolled in the program—most choosing the wired option, Mr. Wheeler said.

In Florida, Donna Goldstein, GIS/ IT solutions manager at the Palm Beach County school district, used GIS software to map out neighborhoods with the highest concentration of families likely to lack stable internet. She said the district has run into roadblocks from homeowner associations that don't want solar-powered Wi-Fi antennas installed in their subdivisions. The district had to get creative about finding places to install the antennas, placing them on school buildings, churches and an animal-control center. The local power company donated 1,000 wooden

utility poles for the project.

The next step is to get Wi-Fi access points to families in the most rural parts of the county. Dr. Goldstein expects to have more than half of the 80,000 students who don't have internet connected by the end of March. "One of the only good things that's come out of the pandemic has been the opportunity to close the digital divide because what we're doing today will be permanent," Dr. Goldstein said.

Common Sense Media estimates that closing the gap would require a collaboration of government and private entities and that it would cost up to \$5.5 billion in one-time installation and device costs, plus up to \$5.6 billion in annual charges.

MY RIDE A.J. BAIME

Land-Speed Racer Bonds Father, Son And History

Butch Graham, 64, a house painter from Salt Lake City on his "City of Salt Lake" land-speed racer and the legacy of his father, Athol Graham, as told to A.J. Baime.

or many years, people have come from all over the world to try to break land-speed records on the Bonneville Salt Flats, outside of Salt Lake City. In 1958, my father, Athol Graham, decided that somebody from Salt Lake City should have the land-speed record, since we had the salt right here. He had an auto-repair business in town, and he started building cars in this garage.

At the time, land-speed racing was a big deal, and my father had big dreams. The more I have lived, the more I have learned how big those dreams were, and how many people my father inspired.

He built the "City of Salt Lake" racing car out of the frame of a diesel truck, with an Allison V-12 air-

plane engine from a World War II P-38 Lightning. It's a 1,710-cubic-inch engine, and if you know the slightest thing about cars, you know that this thing is a beast. [The U.S. military rated this engine at 1,325-horsepower in the 1930s, according to the National Museum of the United States Air Force.]

In December 1959, my father was able to go over 344 mph in the "City of Salt Lake." The record at the time was 394 mph, and he wanted to break 400 mph. On Aug. 1, 1960, he crashed at Bonneville at over 300 mph and was killed. [His death was reported in newspapers around the country and even abroad.] I was just 4 years old. I have seen many pictures of the two of us together, but I have no memory of him.

After he died, a teenage mechanic named Otto Anzjon, who had





Butch Graham, below, restored the 'City of Salt Lake,' a car his father dreamed would go 400 mph.

helped my father build the car, decided he wanted to rebuild it and fulfill my father's dreams. Otto had cancer, and his parents thought if he had something to focus himself on, that would help with the dis-

ease. He rebuilt the car and ran it at Bonneville in 1962, over 200 mph, before he blew out a tire. He survived the crash, but he died of leukemia soon after.

When my mother went to sell the building where my father had his auto shop, she had no place to put what was left of this car. A guy from Las Vegas said he could redesign it and make it go fast. So

she gave it to him.

Forty years ago, I went to Las Vegas to get the car back. It had been sitting on this guy's front lawn for years, out in the elements. When I started restoring it, people who knew my father came out of the woodwork to help me. I have had old guys hunt me down, come to see the car, and just start to cry.

Every December, I would take a month off to work on the car because nobody wanted their house painted around the holidays. I had to rebuild the body. It was a lot of fabrication, and painting, too. On the 50th anniversary of my father's death in 2010, we took the car back out onto the Salt Flats to show it to people. The engine was not in it, at the time. That made the newspa-

pers, and out of nowhere, this hot rodder named Richard Thomas showed up at my doorstep, and he has been helping ever since. The first thing we had to do at that point was get that Allison engine running again.

It took a long time to find someone to rebuild the engine. When I did, Richard helped me take the engine to California. The job took a year and a half, and Richard helped me bring the engine back. He has become a best friend to me. Now the engine is back in the car and it runs. Let me tell you: It is scary!

This job has turned into a lifelong project. My plan now is to try to find a museum that can take good care of the car and help celebrate my father's legacy.



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ARTS IN REVIEW

By Allan Kozinn

hen one door closes, another opens, as folk wisdom has it. But having the thumbsup optimism, workaholic instincts and passion for composing and performing that have long been among Paul McCartney's character traits helps—as does having a state-of-the-art recording studio on your property. Mr. McCartney had planned to spend this year touring, but Covid-19 shut down the concert world, leaving him largely confined to his estate in Sussex, England. So he did what anyone who has followed his work over the past 50 years would have expected: He completed a few old songs, wrote a batch of new ones, and recorded the lot. The result, "McCartney III," is due on Friday from Capitol/UMG.

"McCartney III" is the third installment in a series within Mr. Mc-Cartney's solo output. Like "McCartney" (1970), recorded as the Beatles were imploding, and "McCartney II" (1980), recorded as he was losing interest in working with Wings, his post-Beatles band, "McCartney III" is a DIY effort: Mr. McCartney wrote the songs (there are no collaborations), played all the instruments and was the producer. But where the first two albums each found him at a career crossroads, that doesn't seem to be the case now-unless he sees, in the pandemic, an end to touring.

Musically, the three recordings could not be more different. "Mc-Cartney," partly recorded in his London house, has a homespun quality and, with a few durable exceptions ("Maybe I'm Amazed," most notably), sounds like a glorified demo. "McCartney II" is more experimental, with electronic explorations and idiosyncratic instrumentals, yet it also taps into the commercial zeitgeist on songs like "Coming Up."

"McCartney III" is far more polished and densely textured than "McCartney," thanks to advances in technology since 1970, and notably less experimental than "McCartnev II," largely because Mr. McCartney has more recently opted to channel his most exploratory ideas into his occasional pseudonymous recordings as the Fireman. But there are boundary-pushing touches. His penchant for false endings and unexpected codas has expanded; in "Find My Way," the coda accounts for a quarter of the song.

In "Deep Down," a riffy, throw-away lyric with a "party every night" refrain is set against a dark, ominous organ backing and punctuating R&Btinged synthesized brass figures; it could be Mr. McCartney's musical rendering of the tension between wanting to get out there and the pandemic preventing it.

The lockdown is not overtly mentioned in the album's 11 songs,

'McCartney III': Songs From a Homebound Beatle

Paul McCartney returns with the third installment in a series of solo work



but its influence is felt, along with that of climate change and other baleful issues. The jaunty playfulness of "Seize the Day," one of the album's more memorable tracks, is belied by a dystopian bridge: "When the cold days come / And the old ways fade away / There'll be no more sun / And we'll wish that we had / Held on to the day." A similar wistfulness for the purity of nature is etched into "The Kiss of Venus," a melodically opulent song distinguished by the use of a harpsichord in its second half.

But this is not a thematic album. Its darker, more topical currents are veiled in a combination of wordplay, striking melodies and deft arrangements, and surrounded by songs on other topics. "Pretty Boys" touches on the interplay between photographers and male models. "Lavatory Lil" is an uncharacteristically unsparing brickbat aimed at a



The new album is out Friday; on it, Mr. McCartney plays all the instruments

woman he has said he will never identify. Many listeners, though, are likely to interpret its lyrics—"You think she's being friendly / But she's looking for a Bentley'

and "She's acting like a starlet / But she's looking like a harlot / As she's slowly heading over the hill"—as references to Mr. McCartney's second wife, Heather Mills.

Dense rockers and light-textured acoustic ballads sit side by side yet flow smoothly toward the album's closer, "Winter Bird/When Winter Comes," a graceful paean to country life. The song is actually a completion of a recording Mr. McCartney left unfinished in 1992, and you can tell: His voice is fresh and supple, not yet touched by the pitch waver and slight hoarseness that have crept up on him over the past decade. Elsewhere on "McCartney III" those deficits are inventively mitigated, sometimes by double-tracking or the use of reverb and other effects, sometimes through the use of falsetto, but often because Mr. McCartney (mostly) writes to the contours of his current range.

The state of Mr. McCartney's voice is a hot topic among his fans, not least because in its prime it was one of the most attractive in rock. But many a singer has built a career with less of a voice than he has now, so perhaps it's time to acknowledge that at age 78 he can't be expected to sound as he did at 25 or 50, and to focus on his still estimable strengths as a songwriter, § arranger and instrumentalist, all amply evident on "McCartney III."

Mr. Kozinn writes about music for the Journal.

TELEVISION REVIEW | JOHN ANDERSON

A Dystopia for Today and Tomorrow

THE CLASSICS of dystopian fiction have often been born of an unhappy vision, but they've always been the product of uncluttered logic: Take an existing problem to its possible end, imagine the worst and, voilà, you have the perpetual war of "Nineteen Eighty-Four," the ultra-violence of "A Clockwork Orange," the reproductive tyranny of "A Handmaid's Tale"and the pandemic of "The Stand," whose arrival right now as a ninepart miniseries seems more than a bit uncanny, morbidly fascinating and in somewhat questionable taste.

The taste question has to do with gore and rats and the bio mess in which director Josh Boone gleefully spins Stephen King's story—and the often-graphic violence that keeps it

humming—at a time when a very similar scenario seems to be playing out offscreen. Mr. King's 1978 novel, like the new CBS All Access adaptation, envisions a militarymade virus escaping a bioweapons lab in California, and then being spread globally by the government in an attempt to sidestep blame. What Mr. King did,

in what was originally an 1,150-pluspage book—"my American fantasy epic," and his answer to "The Lord of the Rings"—was conjure up a world with no plan in place for any such disaster. Where seven billion people would immediately succumb. And where the survivors-many of them, anyway—would go primal.

Not a huge leap of imagination, but one that Mr. King, in his customary fashion, adorned with memorable characters, heartbreaking plot points and the occasional blackly

comic twist. One occurs in episode 1 of this "Stand" (there was a miniseries in 1994 and a comic book series from 2008-12) when a voice we assume to be that of the president assures the public that there is no labmade virus, coughing his way through the whole address.

Shooting finished in March 2020, just under the figurative wire, though certain aspects of the series are surprisingly current and pointed. The opening scene, for instance, involves first responders entering a church full of rotting bodies in Boulder, Colo., where the worshipers were exercising their right of religious assembly. In a later scene. singer-songwriter Larry Underwood (Jovan Adepo) hits the stage without



his bandmates—who are all sick and applauds the "real New Yorkers" in the sparse crowd who "wouldn't let a couple of sniffles keep them home." No one there lives to regret it, except Larry, who proves to be an "immune." Likewise, a pair of teenagers in coastal Ogunquit, Maine-Frannie Goldsmith (Odessa Young), whom we watch drag her father out of their home so she can bury him in the yard, and Harold Lauder (Owen Teague), who's in love with Frannie and thinks the pandemic is his



Whoopi Goldberg, above, and Jovan Adepo and James Marsden, left, in 'The Stand

chance to score. Harold is repulsive, and will get worse.

He's a penny-ante psychopath, however, compared to Flagg (Alexander Skarsgård), the mysterious stranger who appears in the dreams of the immunes, sets up shop in Las Vegas and crucifies his insubordinate followers. Is he Satan? Is Mother Abagail Freemantle (Whoopi Goldberg), who also appears in survivor dreams, really the voicebox of God? In Mr. King's Manichaean, post-infection world, Flagg foments evil while Mother Abagail alerts a chosen few that they are to lead the survivor's commune in Boulder.

One of the select is the story's putative hero, Stu Redman (a solid James Marsden), who early in the

series is abducted by the military for study at a secure research facility where his keeper, Dr. Ellis (Hamish Linklater), quips, "Just a month ago we were worried about Ebola." This establishes the series as having been updated from the '80s of Mr. King's original book and the '90s of the unabridged edition of 1990. But it also points up the fallacy of predictive fiction, and prophecy itself: If you believe in one, and wait long enough, confirmation will arrive. Mr. King could have been writing about Ebola. He might originally have been predicting AIDS. He might have been writing about Covid-19. (He did, in fact, write the show's ninth episode.) But for every parallel that exists

between "The Stand" and our current situation, there is something that differentiates them-the supernatural aspect being one, of course; the biblical-level pestilence being another.

Developed by Mr. Boone with Benjamin Cavell, "The Stand" is an often-gripping piece of television, new episodes of which will appear each Thursday. The spirit and dread of Mr. King's epic have been successfully, if more succinctly, incorporated into the series. The drawback of its timing? It might distract us from how timeless a piece of fiction can really be.

Begins Thursday, CBS All Access

SPORTS

By Jared Diamond

he St. Paul Saints have thrived in a staid, tradition-bound industry for more than a quarter century because of their fierce commitment to the unconventional and their embrace of the absurd.

Guided by the mantra that "Fun is Good," the Saints have used outlandish promotions, affordable prices and a family atmosphere to emerge as the jewel of the independent professional baseball circuit. The team's ownership group includes Mike Veeck—whose father, Bill, was an MLB owner famous for zany promotions-and the actor Bill Murray, who once showed up to work as a ticket taker at a Saints game.

"St. Paul was known for being 'Rebel Baseball,' " said Joshua Schaub, the commissioner of the American Association, the Saints' league since 2006. "That's how they marketed, that they were antiestablishment."

That iconoclastic attitude made last week's news so surprising: The Saints are going mainstream. Starting in 2021, the Saints will leave the independent minor leagues and become the Triple-A affiliate of the Minnesota Twins, their major-league neighbor.

The move makes the Saints a surprise winner in Major League Baseball's dramatic overhaul of the minor leagues and serves as a testament to their remarkable success without the formal backing of a parent club.

The team averaged 8,000 fans a game in 2019 to CHS Field in St. Paul, about double that of any of their American Association competitors and more than all but seven affiliated minor-league teams. The Saints' outsized popularity, coupled with their proximity to the Twins' Target Field, turned them into an attractive partner for

Not everyone is so happy about that. The unexpected alliance also provides a stark glimpse of MLB's tightening grip on professional baseball across all levels.

A portion of Saints fans feel betrayed over what they see as their favorite team abandoning its independent roots-and what they consider to be the beginning of the end of the outsider status that once defined independent baseball.

"Their history in indie ball is so rich that having them—I don't want to say 'sell out'—but sell out to a major-league team and being seen as an affiliate hurts the people who respect the history of indie ball, that you want to have your own path," said Kayla Thompson, who runs a website about independent baseball.

Mary Goldklang, the Saints' principal owner, has a message for those who might be concerned: "We're not going corporate," he

After more than a year of speculation and debate. MLB is rolling out a restructuring of the minors that would reduce the number of affiliated teams from 160 to 120. Some of the teams cut loose by MLB have already latched on with



A pig delivers baseballs to the umpire at a St. Paul Saints game in the independent minor leagues.

The Rebels of the Minors Go Mainstream

The St. Paul Saints, an offbeat alternative to the majors, will join the Twins organization as baseball revamps the minor leagues

independent leagues or collegiate summer leagues, while others continue to search for a home.

MLB believes the changes will streamline operations, improve facilities and travel for players and increase the efficiency of what teams increasingly saw as a bloated, unnecessarily expensive and outdated apparatus for developing talent. Perhaps most notably, however, the revamp gives MLB overarching control of almost

> 'We're not going corporate. -St. Paul Saints principal owner Mary Goldklang

every nook and crevice of pro baseball, fundamentally altering the relationship between the majors and the leagues under it.

"I just hope that the operators of professional baseball teams below the major-league level. whether it be affiliated or independent, continue to be able to conduct themselves with the same degree and quality of operational freedom that they've had over the years, because I think it's what helps grow the game," Goldklang

Goldklang started the Saints in

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1993 as part of an ownership group that includes Veeck and Murray. At the time, Goldklang said, "We all thought that we'd invest a little money, we'll have a hell of a lot of fun and we'd lose it all within two or three years." The Twins, initially not thrilled with another baseball team entering their market, wouldn't have minded that outcome.

That's not what happened. The Saints forged an identity of their own as counter-programming, largely by emphasizing the funny (the pig mascot who brings baseballs to the umpire); the weird (the nun who gives massages to fans at the ballpark) and the silly (staging a one-block parade after winning the championship in 2019). Sometimes, the antics have been more controversial—like the "bobble-foot doll" promotion mocking former Idaho Sen. Larry Craig, who in 2007 was arrested at the Minneapolis-St. Paul International Airport for lewd conduct in a men's restroom.

"We were great at apologizing," Veeck said.

It's clear why the Twins wanted the Saints: They now will have their top farm system a few miles away from their home stadium, a luxury that will enable them to quickly summon new players as needed. Twins president of baseball operations Derek Falvey described this as a "competitive advantage."

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moving to affiliated ball first surfaced, the question among fans has been whether that willingness to push boundaries would change. In Triple-A, the Saints will not only have to answer to the Twins—but they also must shift their focus on the field to preparing the Twins' top prospects for

Beyond that, both sides say that the Saints won't change. Goldklang says that besides the players, the experience will be the same as it was before.

"I love independent ball, and I didn't approach this and go, 'Hey, this is the greatest thing in the history of the world," Veeck said. "I just think the stars aligned perfectly in support of this."

Saints officials say that to this point, their internal data tells them that a large majority of their fans approve of the team linking up with the Twins. They hope the 2021 season will win over the remaining skeptics who still worry about the Twins neutering the

Still, even the Saints acknowledge that they are leaving something behind as they say goodbye to independent baseball. Ultimately, they hope they will change MLB more than MLB changes them. A Saints spokesman said that the team's primary owners, including Murray, were all on board with the move

"We need one another right now more than ever." Veeck said.

Giannis Stays in Milwaukee

By Ben Cohen

THE BIGGEST QUESTION hanging over this NBA season now has an unexpected answer: Giannis is staying.

Giannis Antetokounmpo ended speculation about his future on Tuesday by agreeing to sign a fiveyear contract extension with the Milwaukee Bucks worth \$228 million. The deal will keep the twotime reigning NBA most valuable player with the franchise that helped develop an unknown Greek kid into a global superstar.

"This is my home, this is my city," Antetokounmpo wrote in a tweet with emojis of a heart and prayer-hands. His decision to stay with Mil-

waukee—coming less than a week before the deadline, when the season begins—represents a financial windfall for Antetokounmpo and a major triumph for the Bucks, a championship favorite that can now operate from a position of strength. It's a disappointment for the teams that were planning to pursue him in free agency next summer, but it's also a sigh of relief for the NBA, a league that had become accustomed to big talents leaving smaller markets behind.

Antetokounmpo didn't have to sign the lucrative extension nowor ever. He could have dragged out the negotiations and left all that money dangling. He could have left the Bucks in unrestricted free agency next summer. He could have signed another deal that promised more flexibility in uncertain financial times, allowing him to exploit his leverage over the front office as he positioned himself for a bigger payday later.

The presence of Antetokounmpo alone makes the Bucks title contenders for the third consecutive season, and his commitment signals a vote of confidence in a team that has flopped as a favorite in the last two playoffs. After their latest disappointing flameout, the Bucks remade their roster by trading for Jrue Holiday, a guard who makes the NBA's best defense even better. But they bungled another petter. But they bungled another trade that was meant to assure
Antetokounmpo they would remain § aggressive.



The Greek star signed for five years.

Weather AccuWeather Plan your week | Get the NEW app Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day 0s : Van 10s Calgary (H) Seattle 20s **30**s 40s Mpls./St. Paul **20**s • Hartford 20s **50**s Salt Lake City · 20s

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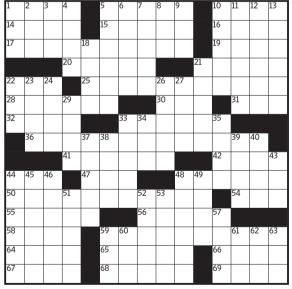
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The WSJ Daily Crossword | Edited by Mike Shenk



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OPINION

Vaccines vs. Lockdowns



By Holman W.

commended him for admitting, as Jenkins, Jr. April, that state's his contact-tracing effort was mainly a show so voters would see that Massachusetts wasn't sitting on its hands. In November, his outdoor mask-wearing

mandate was panned as unsci-

entific and unenforceable. He

acknowledged as much, saying

it was a signal, a new way to

get the public's attention. Pandemic theater is too pejorative a term. Mr. Baker gets credit in this column for exhibiting realistically the relationship between science and politics. Science can tell us many things. It can't tell us what to

Science triumphed but shouldn't we have cut corners and moved faster?

In the West Africa Ebola outbreak of 2014, amid much scientific tut-tutting, the governors of New York, New Jersey, California and Illinois demanded medically unnecessary quarantines for returning aid workers as cheap insurance against panic infecting the nation's three biggest mass-transit systems.

Masks were downplayed

Charlie Baker preserve supplies for medical personnel, then were touted as a universal solution even though the fine print noted that masks might not stop anyone from getting the infection, only from spreading it. Political calculation was present in both messages.

> Politics is the proper business of our leaders even when entangled with the incentives of personal career survival.

We've seen the effect in the partisan scrum, mostly irrelevant, over testing as well as in ill-advised lockdown measures adopted by local politicians panicking over a virus that hadn't yet reached them.

Then there's the vaccine. Here's where the rubber may really meet the road. Famously, the design for Moderna's vaccine was completed on Jan. 13, two days after the Chinese released the genetic makeup of the new virus, before even the Wuhan lock-

Pfizer and its partner BioN-Tech whittled 20 slightly different designs down to two between January and July. They might have done so sooner if not anticipating the drawnout, three-phase clinical trials that still lay ahead.

Public talk from the start focused on the risk to public confidence of any shortcuts, any deviation from standard development protocols. The media took up the chant. Federal agencies and politicians had a natural incentive to minimize any blowback on themselves from departing from acof drug cepted models



A nurse gets a Covid vaccine Dec. 15.

ous this was optimal under conditions of the pandemic.

To repeat, a finished vaccine design was on hand by late January. China's and Russia's governments are hardly models of transparency and accountability but their leaders are not without cost-benefit incentives. They launched large voluntary distributions of relatively less-tested vaccines. Some in the U.S. called for challenge trials, deliberately infecting volunteers with Covid-19, to speed development. Classic double-blind trials with a placebo arm are the gold standard. In the trade-off between speed and safety, silver and bronze approaches were always possible to get a vaccine into the market faster albeit with somewhat higher

Our near-standard approach ended up being successful beyond early hopes, no question. But a clinical lookback won't automatically conclude it was the best approach under the circumstances. Consider the overarching political problem. At the current moment, the U.S. public is facing the biggest surge yet even as many things

making the virus easier to live with: faster testing, better treatments, vaccines, the spread of natural immunity through infection. More political integrated thinking might have seen value in sacrificing some of our testing protocols so Americans could see vaccinations taking place on TV sooner, giving them a sense that voluntary social-distancing was being rewarded with a fast-ap proaching permanent fix.

What April suggested, Deember has confirmed. Political calculation in the U.S. could endure a significant number of deaths from Covid-19. It cannot abide a situation where Covid patients and otherscancer patients, coronary patients, kids—are not receiving adequate care in overloaded hospitals. Hence a new round of restrictions at this late date on restaurants, schools, gyms that in themselves may not be effective or scientifically supported but meet a political imperative on our leaders to be seen doing something.

Nearly a year later, the most widely applicable lesson from the original China outbreak remains: When the virus manifests itself with unmeetable demand on local health care, the constraints on political action, often ill-advised, tend to disappear. This observation seems to hold regardless of political system. In retrospect, accepting more vaccine risk might well have been the right way overall to minimize the costs and pains inflicted on the public in the political crisis brought on by a

are converging that should be development. But it's not obviearly in the current crisis to new coronavirus.

Institutions Saved the 2020 Election



POLITICS & IDEAS By William A. Galston

For a year we been bombarded with analyses-some soothers less so-about how institutions could be abused subvert the will of

people and award President Trump a second term that he hadn't won. Now that the Electoral College has rendered its verdict, let's assess these warnings.

One prediction turned out to be correct: If Mr. Trump lost the election, he would not admit it. What came was a torrent of presidential tweets: The election was rigged, Biden ballots manufactured, Trump ballots discarded, elections administrators and judges too weak to do their duty. He has never bothered to explain why these knaves stopped short of giving Democrats broad victories in Congress and for state offices.

What I should have anticipated but didn't was how many of Mr. Trump's supporters would believe him. He has persuaded more than threequarters of his party's rank and file that President-elect Joe Biden will assume office illegitimately. This will have bad consequences for the political system; how bad is an open

question. Nor did I anticipate that more than 60% of the House

the Supreme Court to overturn the election results in four swing states, an effort so patently without merit that the justices summarily dismissed the case. Perhaps a quarter of the suit's congressional backers believed the allegations. The rest, I suspect, were motivated by a combination of cynicism and expediency: The case isn't going anywhere, so why should I antagonize the outgoing president's voters, many of whom also support me? That these lawmakers lent credence to a dangerous falsehood didn't seem to concern them.

The good news in the election is what did not happen: mail-in ballots didn't overload the electoral machinery; state and local officials didn't put partisanship ahead of duty; and the courts didn't yield to political pressure. Federalism and the judiciary successfully defended the integrity of the 2020 election.

Despite a tidal wave of nearly 159 million votes, up more than 20 million since 2016, vote-casting and votecounting went remarkably smoothly. Many states reported their results as quickly as they did four years ago. Most of the slower states were hamstrung by obsolete prohibitions against processing and counting mail-in ballots until the polls had closed. Postelection canvasses, including a hand recount in much of Georgia, found evidence of neither

port the last-ditch effort to get changes in the results. As At- case, the behavior of his aptorney General William Barr has stated, to President Trump's displeasure, "to date, we have not seen fraud on a scale that could have effected a different outcome in the election."

> Once the results became clear, state and local officials in swing states came under intense pressure from the president and his supporters not to certify them. But with almost no exceptions, these officials

Trump may refuse to concede, but the judiciary and the states did their duty.

didn't bend. Georgia's secretary of state refused to violate his oath of office. The governors of Georgia and Arizona declined to go along. And the president's efforts to get Republican legislatures to overturn their states' popular vote failed ignominiously. Summoned to the White House for some arm-twisting, the Republican leaders of Michigan's House and Senate responded by asking the president for additional federal financial aid.

Mr. Trump has boasted, rightly, of his success in nominating and confirming conservative federal judges. But when it came to legal challenges to the election, he cannot be

pointees was hard to distinguish from that of judges chosen by previous presidents. It turns out that in the American system, the people who end up as judges believe in the rule of law. Judicial philosophy makes a difference when broad issues are at stake. But when the question is whether plaintiffs have presented the evidence needed to sustain allegations of electoral malfeasance, just about every judge saw things the same way, regardless of party, ideology or jurisprudential predilection.

With the Electoral College meetings finished, only one more checkpoint is left on the path to Joe Biden's inauguration, On Jan, 6. Congress will meet to count the Electoral College votes submitted by the states. Although this process is usually ceremonial, Congress has the right to decide when a state's results are challenged by at least one member of both the House and the Senate. Some of Mr. Trump's supporters in the House seem willing to do so. It will take only one Republican senator to trigger a formal vote in both chambers.

None of this will influence the presidential outcome; there is no chance that the Democrat-controlled House would vote to overturn a state's Electoral College slate. But it would be a defining moment for Republican legislators, who would be forced to choose between the president's supporters and reality.

error nor malfeasance and pleased with the return on his Republican caucus would supproduced marginal onlv political investment. In this

Coercion in Xinjiang's Cotton Fields By Adrian Zenz

n the past, my lazy thoughts . . . were serious. Now, I finally understand that the happiest thing is to use the money I earn with my hard-working hands and my sweat."

These are the words of a Uighur villager in China's Xinjiang region who, in 2018, was forced into picking cotton by communist authorities. It's hard to think these words are anything but propaganda. In a Uighur village in Payzawat County, officials entered every home twice and conducted "thought education" until enough pickers had been mobilized. In 2018 more than half a million ethnic minoritiesfrom Kazakhs to Uighurswere coerced into China's cotton fields through Beijing's

"labor transfer" program. These are the findings of my

China's cotton production published by the Center for Global Policy. The U.S. government recently banned all cotton and related products from a stateowned paramilitary entity in Xinjiang on forced-labor grounds, but the true extent of this injustice runs much deeper. Xiniiang's entire cotton production is tainted with coercion.

The West needs wider controls on Chinese imports produced with forced labor.

Xinjiang is the largest cotton-growing region in the world, producing 85% of Chinese cotton and 20% of the global supply. Lavished with government subsidies, Xinjiang cotton has become cennew report on forced labor in tral to global supply chains.

Xinjiang's forced-labor system grew exponentially during the time when regional authorities also built "vocational training camps" in which as many as 1.8 million people have been imprisoned. Each year, Xinjiang municipalities inquire with cotton producers about their labor needs. Chinese officials then descend on local villages to conscript the workers. Government reports abound with "success stories" of officials who visit homes until family members "agree" to work, a process that involves

"transformed thinking." Once the workers are secured, officials transfer them to the fields in tightly managed groups of 30 to 50 and oversee their work. One government document states that officials must "eat, live, study, and work together" with the laborers while continuously carrying out

"ideological education." A gov-

officials function like "security guards." Another notes that minority cotton pickers are frequently checked on by authorities to see whether their "state of mind" is "stable."

Since Beijing will never perindependent audits of working conditions, it is impossible to know how much of Xinjiang's cotton production involves coercion. Based on my findings, it must be assumed that all Xinjiang cotton is contaminated by forced labor. In addition to the limited U.S. ban, governments around the world should consider a total ban on all products made with the region's cotton.

That's the most effective way to constrain the flow of cotton picked by hands that had no choice.

Mr. Zenz is a senior fellow in China studies at the Victims Communism Memorial ernment report mandates that Foundation.

BOOKSHELF | By Fred Barnes

Fast Break Forever

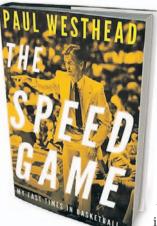
The Speed Game

By Paul Westhead (Nebraska, 187 pages, \$29.95)

he speed game is basketball in its most simple form. It requires players, first and foremost, to run as fast as they can from tipoff to final whistle. Passing, shooting and rebounding are important but secondary. So is defense. Speed rules.

Paul Westhead, a coach who values speed, tells us in "The Speed Game: My Fast Times in Basketball" that he likes to quote what Henry David Thoreau wrote in Walden: "'Simplicity, simplicity, simplicity! I say, let your affairs be as two or three, and not a hundred or a thousand.' Henry David would have made for a hell of a shooting guard in my system."

A speed offense begins the moment it gets the ball. Racing into the front court, the point guard passes to one of his four teammates, who have sprinted to their assigned positions. Whoever gets the pass shoots instantly. Only five



seconds should have expired. If the shot is missed, the other players are ready to rebound and shoot again. This routine is repeated over and over.

The key is to never let up, never pause, Slowing down only gives the other team a moment to rest. Under conditions of relentless speed, the opponent will tire in the second half. It won't be able to get back on defense a hundred times a game, as it would otherwise. but will instead be left trailing behind in its own offense zone. As the game enters its

final stretch, the fast team must be primed to step on the accelerator. Then victory is all but certain.

Mr. Westhead, now 81 and retired, saw his first highspeed game in the early 1970s, when he was coaching in Puerto Rico. "They were playing the speed game that I had never seen before," he writes. It pushed him toward becoming a "committed fast break believer." He got another shove in that direction from Sonny Allen, who had coached Old Dominion, in Norfolk, Va., to a Division II championship. Allen told him that "you've have to be a little crazy" to adopt a speed offense. "I told him, 'Sonny, I'm a little crazy.'

But don't get the idea that "The Speed Game" is infatuated repetitiously with a scheme for winning basketball games. Mr. Westhead gives us a lot more. It may be a surprise to readers to learn how graceful and interesting a writer he is. In four years at St. Joseph's in his hometown of Philadelphia, his 3.4 grade average topped his basketball scoring average of 2.4 points per game. And he spent two years at Villanova studying Shakespeare and teaching college English.

In his memoir, he writes especially well about coaching the Los Angeles Lakers to an NBA championship in 1980 and the Phoenix Mercury, led by the great Diana Taurasi, to the 2007 women's title. He also describes how, in the late 1980s, he transformed Lovola Marymount into a powerhouse, and he does so without diminishing the role of Hank Gathers and Bo Kimble in the team's success.

Mr. Westhead is tough on Lakers owner Jerry Buss, who bought the team in the late 1970s, for blaming others for his own egregious mistakes and taking credit for others' smart moves. He remains angry that Buss would fire him only 18 months after he stepped into the Lakers' top coaching spot in 1979—when coach Jack McKinney was badly injured in a bicycle accident—though Mr. Westhead had kept the team on a winning path. It is clear that Buss was lucky to have Mr. Westhead around to block unwise trades and keep him from succumbing to power forward Spencer Haywood's pleas for more playing time.

A veteran coach reflects on Kareem, Magic and a style of play. The key is never to let up. Slowing down only gives the other team a moment to rest.

Kareem-Abdul Jabbar, in Mr. Westhead's view, was the only adult among the Lakers players and was the key to Haywood's departure in 1980, in the middle of the NBA finals. During a practice, Haywood "fell into a deep sleep and was snoring loudly," Mr. Westhead writes. Awakened, he dozed off again. At the next home game, Haywood got the crowd to scream for him to come off the bench and play. Following the game. Mr. Westhead says, "Kareem walked over to me and simply said, 'Get him out of here.' Mr. Westhead passed Jabbar's comment to Buss, and Haywood "was removed from the team, never to return."

Magic Johnson was the most popular Lakers player, but Mr. Westhead found him to be more trouble than not. A breach between the two came in a deciding playoff game in 1981 against the Houston Rockets. With 14 seconds to go, the Lakers needed a basket to win. "It was money time, and I went with the man, Kareem Abdul-Jabbar," Mr. Westhead writes. "The play was one we had run hundreds of times before at end-of-quarter and end-of-game situations.

Magic had the ball, but "he did not look for his primary target, Kareem, who was open in the low post." Instead Magic "decided to go one-on-one himself. . . . He shot a running jumper above the free-throw line and missed." It was an air ball, and the game was lost. Magic "felt he had earned the star position, and with that role went the right to take the final shot. In this instance, Magic unfortunately chose the wrong star."

Mr. Westhead's third Laker season didn't last very long, but he had two brief NBA coaching jobs ahead of him, as well as college coaching. The Loyola Marymount position, in 1985-90, allowed him to restore the speed game to active duty. (It had never really caught on in the NBA and was too radical for most college coaches.) A game with Holy Cross was too strenuous for the referees. Exhausted, they stayed still for the final eight minutes.

Mr. Westhead's core argument in "The Speed Game," though persuasively advanced, may feel like a lost cause. As exciting as the speed game is, and as successful as it can be, most coaches and fans are fine with the slower game and think it's exciting enough. At least the "four corners" stall, favored by legendary coach Dean Smith, is dead. "There were coaches who didn't like me purely based on my style of play," Mr. Westhead writes. "Others just thought it made them look bad." Yes, it often did.

Mr. Barnes is a senior columnist for the Washington Examiner.

REVIEW & OUTLOOK

Congress Punts on China Stocks

A vague bill leaves

accounting details to

regulators and lobbyists.

he decline of Congress is a growing problem in U.S. governance, not least the degree to which it writes vague in Chinese companies like Alibaba regardless

legislation that lets administrative agencies determine the actual law. An egregious example is a bill President Trump is expected to sign soon that would banish Chinese companies from U.S.

stock exchanges if they don't open their external audits to federal regulators.

The 2002 Sarbanes-Oxley Act requires auditors of U.S. publicly listed companies to be registered and regularly reviewed by the Public Company Accounting Oversight Board (PCAOB). This requirement is intended to ensure auditors perform due diligence, though there's little evidence it has improved audit quality or prevented fraud.

Beijing, however, has cited national security and state-secret laws to block the PCAOB from reviewing auditors, including subsidiaries of the big four U.S. firms, located in mainland China and Hong Kong. The PCAOB has identified 262 non-U.S. companies whose audit work it can't inspect. Most are based in China, though some are in Belgium and France.

Enter Congress, which unanimously passed legislation that would kick companies off U.S. exchanges in three years if their auditors don't let the PCAOB review their books. Sponsors Sen. John Kennedy (R., La.) and Rep. Brad Sherman (D., Calif.) say Chinese companies should have to play by U.S. rules to benefit from our rich and liquid capital markets.

Fair enough, though the bill also advances Beijing's objective of drawing foreign investors to its exchanges in Hong Kong and Shanghai. U.S. investors will hold and trade shares

> of where they are listed. Americans receive more protections when the companies are listed on U.S. exchanges where they are subject to U.S. securities laws.

The blunt legislation could also sweep in 200 some U.S. multinational companies including Mattel and Wynn Resorts that rely on work performed by mainland Chinese and Hong Kong-based firms for a portion of their audits. After the bill passed the Senate in May, Mr. Sherman said he expected the House to amend the legislation to exempt U.S.

Nope. The House couldn't even find the time this summer to hold a hearing before whisking the bill through this month. That leaves hundreds of U.S. multinationals in limbo. But never fear, Messrs. Sherman and Kennedy entered a statement into the legislative record to guide the act's interpretation

The Securities and Exchange Commission should not delist companies as long as no more "than one-third of the company's total audit is performed by a firm beyond the reach of the PCAOB inspection," they explained. One-third of revenues? Assets? Some other metric? They also left that up to the SEC.

So now regulators will divine Congress's unwritten intent amid frantic corporate lobbying for dispensations. This dereliction of legislative authority is why the administrative state has grown so vast, and Republicans deserve as much blame as Democrats.

Europe's Digital Power Play

behemoths won't boost

European competitors.

sk not why Europe doesn't regulate digital companies more. Ask why Europe doesn't have more of its own digital

companies to regulate. That is the question Brussels should have considered as it prepared the new tech regulations the European Commission un-

The European Union's bureaucratic arm is nothing if not ambitious. The proposals would create new mechanisms for regulating content such as violence or hate speech. They would formalize rules for relationships between platform companies and thirdparty software developers that the commission previously tried to impose via antitrust cases. They'd require new transparency about proprietary business practices such as ad targeting. And the commission wants to impose draconian penalties for violations, including fines of 10% of annual global revenue or the ability to break up tech giants.

The rules don't explicitly say they're aimed at U.S. companies. But the proposals are crafted narrowly enough that, wouldn't you know, mostly very large American companies would fall under their purview. Not many social-media platforms reach at least 10% of the EUS 450 mil lion consumers, which is the threshold for some of the strictest new rules.

We have no special brief for American tech companies, and our parent company's executives have tangled with firms such as Google over their sometimes casual approach to intellectual property. The U.S. companies can lobby as they wish in Brussels, and they will. Expect

the EU's new proposals to become law, if they ever do, only after years of wrangling.

Someone should ask, however, why European competitors haven't Tying down U.S.

emerged to the American behemoths. The commission and its boosters claim this is what the new regulations will do, by creating a "level playing field" for local tech entrepreneurs.

But rules such as the commission's proposal usually do the opposite.

As threatening as the potential fines appear to Facebook or Google, the bigger threat by far will always be to European startups that struggle to absorb regulatory-compliance costs as they grow. Love 'em or hate 'em, today's tech giants have the resources to comply with new rules and hire lawyers to tussle with Brussels in years to come. Can European entrepreneurs

American companies have done far less to stunt a single digital market in the EU than have, say, disparate consumption-tax regimes that entangle small businesses trying to ship across national boundaries. Europe might have more of its own tech champions if taxation of venture capital were less punitive, or if labor laws on startups were less onerous, or antitrust enforcement of mobile services less capricious or, well, it's a long list.

The EU's tech proposals will make the list of anti-entrepreneurship policies even longer. Whatever regulatory regime tech giants might require or deserve, no one should imagine they'll be bigger losers from all this than European upstarts will be.

Secrets of the Oracle Prosecution

A letter reveals the

animus behind a

dubious labor lawsuit.

waning days of the Obama Adminis-

tration against Oracle for discriminating against women and minorities. But it turns out the prosecution was even worse than we thought-and there's a lesson here about federal misuse of race and gender as enforcement cudgels.

The truth emerged this month in a letter from Labor Deputy Assistant Secretary Joe Wheeler to Congress responding to a whistleblower complaint by regional solicitor Janet Herold. Ms. Herold spearheaded the Oracle case, which Labor dropped recently after it was eviscerated in September by an administrative law judge.

Ms. Herold claims that Labor Secretary Eugene Scalia retaliated against her because she had resisted Labor's attempts to settle the case. But the letter to Congress reveals Ms. Herold's desire to punish Oracle and the rest of Silicon Valley.

In a memo to the Department's Solicitor, she wrote that Oracle's "real vulnerability" was that the trial would be public and detail how "Oracle and pretty much all tech companies are discriminating against women and Asians." This would "damage [Oracle's] reputation in the industry and hinder their ability to retain top talent" and "the most critical part of this enforcement action is the public airing and discussion of common industry pay practices which depress the wages of women and people of color."

Wow. That sounds more like a vendetta than proper enforcement. Nearly all such cases by DOL's Office of Federal Contract Compliance Programs have been settled for small sums. The largest in agency history was \$14 million. Yet

e've often criticized the Labor De- Ms. Herold claimed the case was so strong that partment's lawsuit launched in the it should be settled for no less than \$150 million to \$300 million.

Oracle grew so frustrated with settlement talks that it sued the agency in return. But this month it agreed to dismiss its suit after Labor dropped its complaint.

Mr. Scalia was naturally troubled by Ms. Herold's excesses, and he informed her this summer that she would be reassigned to another job. Ms. Herold then filed her retaliation complaint, though she offers no evidence for her claim that Mr. Scalia intervened in settlement discussions on behalf of White House officials close to Oracle executives.

Ms. Herold "has never met with or spoken to, and has no knowledge of whom [Mr. Scalia] has spoken with or spent his time," Mr. Wheeler explains in his letter. Nor did Mr. Scalia discuss the case with Oracle representatives or the White House.

The silver lining of Oracle's four-year saga is that the administrative law judge's 278-page decision eviscerating Ms. Herold's case will significantly limit Labor's ability to bring similar paint-by-numbers complaints against businesses during a Biden Administration.

By the way, Ms. Herold was also behind Labor's targeting of Google in 2017. After Google fought the agency's sweeping compensation data demand, Ms. Herold retaliated against the search giant by declaring publicly that its discrimination against women "is quite extreme, even in this industry."

This is nasty stuff, and it shows how federal enforcers use race and gender as a reputational threat to bully companies into settling lawsuits even when they're innocent. The real discrimination in this case was by the government, and kudos to Mr. Scalia for finally dropping it.

LETTERS TO THE EDITOR

States, Cities and the Gigantic Covid Bailout

William A. Galston tugs on heartstrings to make the case that "States and Cities Deserve Taxpayer Support" (Politics & Ideas, Dec. 9). But a Covid relief bill without state and local aid still would provide most of the emergency funding that he says is needed for extra unemployment benefits, costs related to vaccines and help for small businesses. Mr. Galston doesn't mention that tax revenues in many states have fallen less than was initially expected in fiscal year 2020.

The Democrats plan to push through a much bigger stimulus in 2021. This bailout by any other name will still be as sweet in a couple of months when Congress will be itching to give and governors and mayors dying to receive.

> Mark Adams Atlanta

I'm sure Mr. Galston is correct that some places will need support after the pandemic is over, but shouldn't some care be exercised in how we give money to the politicians? Here in northern Nevada, the city of Reno proposed to spend \$200,000 of Covid relief funds to buy a sculpture called "The Space Whale." Left over from the Burning Man festival, it had been leased and was on City Hall plaza. This was canceled only when news made it into the local paper.

ROBERT PARKER Reno, Nev.

Mr. Galston writes that red and blue states all deserve federal relief. There is broad agreement about that. But he conflates relief needed due to the pandemic with relief needed due to profligate public spending that pre-

dates the events of 2020.

Relief should be calculated to mitigate pandemic-induced needs like those of restaurants and other private business affected this year. The calculation shouldn't include funds to bail out states already near bankruptcy thanks to irresponsible policies that had nothing to do with the pandemic. I appreciate the desire not to let a crisis go to waste, but people from states that weren't in prepandemic financial trouble shouldn't have their hard-earned money forcibly redistributed to those in states that were in financial trouble of their own making.

JACK WISSNER Atlanta

Mr. Galston is right: This isn't a blue-state problem. I live in a red state in a very conservative city with high property taxes. The politicians always talk about cutting services when there are financial problems. But if they cut the huge pensions and health-care-for-life for public employees, the problem would be solved without ever cutting services for everyone else. In fact, there would be money left over for infrastructure improvements that have been ignored for decades. In my small city, 25% of the tax we pay goes to the public-employees' pension plan. Even with that onerous amount, the unfunded pension deficit is \$260 million and growing. The health-care-for-life liability. which is also unfunded, was another \$27 million as of last year. Many civil servants can retire with a lifetime pension at age 50.

KATHERINE NEWMAN Coral Gables, Fla.

Oregon Lawmakers Ignore Oregon, U.S. Law

Regarding James Huffman's "Oregon's Segregated Covid Relief Fund Is Blatantly Unconstitutional" (Cross Country, Dec. 5): The Oregon Cares Act provision allotting public money exclusively to black-owned businesses not only violates the U.S. Constitution, it also violates Oregon's Constitution. In the latter, Article 1, Section 20 states: "No law shall be passed granting to any citizen or class of citizens privileges, or immunities, which, upon the same terms, shall not equally belong to all citizens."

This is another example of state legislators ignoring their state constitution, which they have sworn an oath to defend and uphold.

DAVID KVERAGAS Newton, Pa.

Prof. Huffman need only have cited the U.S. Supreme Court decision in City of Richmond v. J.A. Croson Co. (1989), which invalidated set-aside programs like the Oregon Cares Fund. In the 6-3 opinion Justice Sandra Day O'Connor wrote, "To accept Richmond's claim that past societal discrimination alone can serve as the basis for rigid racial preferences would be to open the door to competing claims for 'remegroup. The dream of a Nation of equal citizens in a society where race is irrelevant to personal opportunity and achievement would be lost in a mosaic of shifting preferences based on inherently unmeasurable claims of past wrongs."

dial relief' for every disadvantaged

The unconstitutionality of the Oregon program is clear. But by the time the case is decided, the money will have been distributed. Then taxpayers will likely have to fork out more money to remedy the discrimination inflicted on people like Maria Garcia and her Revolución Coffee House.

MICHAEL H. LEB Pasadena, Calif.

The "Oregon Cares Fund" was set up to combat "this country's 400 years of racial violence and strategic divestment," according to the state Legislature's Emergency Board. But for the first 200 years, the area now known as Oregon hadn't been settled by whites or blacks. It was inhabited by Indigenous peoples. Don't they deserve a Cares Fund? Or have the politicians simply jumped on yet an-

other trendy bandwagon? RAYMOND J. KELLY, III Flushing, Mich.

Between God and Proper Insurance Coverage

In "Some Acts Of God Are Better Than Others" (op-ed, Dec. 3), Bert Stratton writes of an "unfortunately high" deductible of \$5,000 for his commercial property insurance, and complains about the many expenses he had to pay after a tree fell onto one of his apartment buildings: brickwork, roof repairs, gutter work, new windows, tree removal, emergency board-up and temporary living expenses for tenants.

Mr. Stratton wasn't "screwed"; that coverage is standard in insurance policies. The policy owner is responsible for damage to his covered property, and determining the source of a tree limb in a windstorm—from his neighbor's property in this caseis never the issue. A tenant could also have temporary living expenses covered when his residence is uninhabitable with basic coverage he

could purchase. I am sorry that Mr. Stratton wasn't pleased with the claim-settlement service, and perhaps his coverage, after this covered loss. This has little to do with an act of God. It is more about each of us understanding and obtaining the proper insurance coverage for the risks we face. Many times the real issue is accepting the cost of the decisions we've made when an unfortunate loss occurs.

Goshen. Kv.

Mr. Stratton inadvertently raises an important issue for homeowners. Most insurance companies have significant deductibles for wind storms. In New Jersey it is often 1% or more of the home's insured value. That is a

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Tree removal in Cedar Rapids, Iowa

huge chunk of cash that is required before the insurance even kicks in. Insured beware.

Teaneck, N.J.

Pepper ... **And Salt**

THE WALL STREET JOURNAL



"After a while, sticking my head out of a car window wasn't enough."

A New Way to Lead the Free World

By Anders Fogh Rasmussen

n 2021 the U.S. and its allies have a once-in-a-generation opportunity to reverse global democratic retreat and put autocracies like Russia and China on the back foot. That will happen if major democracies unite in the pursuit of freedom.

President-elect Joe Biden aims to "build back better." He cannot turn back the clock four years to a creaky multilateral world where allies are picked off by autocracies that exchange strategic investment or cheap energy for unwavering loyalty. Allowing allies to sell out their economic security while expecting Uncle Sam to act as their security guarantor would open the door for another Trump-like isolationist to reclaim the White House in four years.

The authoritarian tide has risen, but a global alliance of democracies would help turn it back.

Instead the U.S. should focus on giving the democratic world a new sense of confidence, which free societies—with their inbuilt self-doubt. opposition and division—too often lack. As secretary general of the North Atlantic Treaty Organization, I sought to build these links across free world, creating and strengthening partnerships with Indo-Pacific democracies like Japan, Australia and South Korea.

Yet in the years after I left public office the world has seen a resurgence of authoritarianism, and technology has reached an inflection point where it can both liberate and oppress. Five years ago an alliance of democracies was a noble goal in progress, but today it is essential to solving urgent problems.

Determined American leadership must be at the heart of this effort. The U.S. alone has the power and reach. It also enjoys a resilient democracy of its own. The 2020 elections were a stress test for American democracy. It passed, securing a transfer of power even when the head of state himself sought to delegitimize the process.

President-elect Joe Biden has a queue of America's weary allies outside his door. We are yearning for a determined leader and, from experience, I believe Joe Biden will seize this opportunity.

In 2018 I launched the first Copenhagen Democracy Summit, under the auspices of my Alliance of Democracies Foundation. The summit convenes national leaders, democracy activists, and representatives from tech and civil society to strengthen the forces of democracy. The former vice president opened the first summit and co-founded a new trans-Atlantic initiative, with former Republican Secretary of Homeland Security Michael Chertoff and me, to fight foreign election meddling.

Mr. Biden's speech made a strong argument for renewing alliances and standing up for democracy. "Democracy's all about one simple thing," he



Vice President Biden at the 2015 Munich Security Conference.

said: "freedom, freedom," During his campaign this year, he pledged to host a similar summit of democratic leaders as president.

America will lead the endeavor, but it won't be alone. Democracies in the Indo-Pacific, from Taiwan to Australia, India and Japan, are also looking for like-minded friends to counter China's aggressive posture.

In Europe, a post-Brexit U.K. will host the Group of Seven summit in 2021, bringing together the world's top democratic and economic firepower. London intends to use this opportunity to make what one senior politician described to me as an "overture to the free world." It has already floated a potential "Democratic 10," or D-10, opening the top global table to other major democracies such as India. Australia and South Korea. And Britain will try to build new consensus on economic re-

silience in areas such as foreign subsidies, global trade reform and technological advancement.

It's that last topic, tech, that poses an existential challenge for democracies. The world is in a figurative technological arms race. Whoever wins that race will lead in setting rules, standards and norms for emerging technological systems, from facial recognition to weapons of war. If China wins the race, freedom will wane.

The free world should learn from its internal tussles over Huawei and TikTok and build a digital alliance to prepare for the next set of challenges. This includes setting common privacy standards for transferring the metadata needed to develop cutting-edge artificial intelligence, cooperating on how to regulate internet platforms, and combining firepower to develop telecom networks, quantum computing and artificial intelligence-all faster, better and freer than China.

Not every U.S. ally is fully convinced of the need for a global democratic caucus. France and Germany may be concerned that an alliance of democracies would supplant the global multilateral system represented by the United Nations. And a resurgence of the trans-Atlantic alliance could reduce the imperative for Europe to develop strategic independence from the U.S.

On both of these concerns, I disagree. Strengthening the global democratic alliance would enable member nations to rebuild multilateralism, not bypass it. We need to talk to China, about climate change and other struggles, but let's do so from a position of relative strength. And Europe should simultaneously continue to be more self-sufficient and invest more in its own security, because a stronger Europe means a freer world.

Thirty years ago advanced democracies were told that they'd reached the "end of history," and that the continued advance of freedom was inevitable. The opposite has been the case: Freedom has retreated as America retreated from its place as the global leader. We may not see a better opportunity again to recover from the West's crippling disease of democratic self-doubt. It's time to build an alliance of democracies.

Mr. Rasmussen was NATO secretary general, 2009-14. He founded the Alliance of Democracies Foundation in 2017.

An Intelligent Discussion About Race and IQ Is Possible



By Jason L. Riley

years has claimed the life of another consequential scholar whose passing warrants some reflection. James Flynn, who

cruelest of

died last week at 86, was an American social scientist born in Washington and educated at the University of Chicago.

He spent most of his academic career on the other side of the planet, at the University of Otago in southern New Zealand. Flynn specialized in the study of mental tests and human intelligence, and he distinguished himself by bringing far more light than heat to this fraught de-Many earlier researchers of group

differences in mental performance were convinced that intelligence was mostly inherited. In 1969 the psychologist Arthur Jensen published an academic article in the Harvard Educational Review that said blacks had lower IQs than whites due

mainly to genetics and that compensatory education programs intended to close the learning gap among children-Head Start, for examplewould have little success.

The article caused an uproar that never entirely died down. Jensen, who died in 2012, was roundly denounced as a racist by those who said that environmental factors rather than genes explained racial disparities in test scores. For a time, he received death threats and needed bodyguards when he appeared in public forums. Calls for ending the use of IQ tests became commonplace. More than 50 years later, racial differences in SAT results are still cited as a reason to stop using the exam in college admissions. In May the University of California system announced it was scrapping its SAT requirement.

Flynn was skeptical of Jensen's findings, and rightly so. If racial differences in average IQs were innate, why were there white groups in the U.S. and elsewhere with test scores similar to those of blacks? Why were there black schools with test scores

that exceeded the national average? Why were black women significantly overrepresented among people with high IQs? Why did studies show that black orphans raised by white families had average IQs of 106 at a time when the average score of blacks nationally was 85 and the average score of whites was 100?

James Flynn approached one of social science's most controversial topics with logic and empiricism.

Theories of genetic determinism couldn't explain these findings. Nor could they explain Flynn's voluminous documentation that IQ scores among racial and ethnic groups world-wide have risen considerably from one generation to the next. In the 20th century, he discovered, the scores of entire countries rose by more than the black-white disparity in the U.S. In a study released in

2006, Flynn and a co-author, William Dickens, concluded that blacks had gained as many as seven IQ points on whites since the early 1970s, which is hard to explain if intelligence is genetically fixed.

Many of Jensen's detractors wanted to shame or silence him. Charles Murray received similar treatment following the publication in 1994 of "The Bell Curve," which cites Jensen's theories favorably. Flvnn thought it more important to push back with logic and empiricism and he was careful not to overstate his case. That genetics weren't the sole determining factor in a person's intelligence didn't mean they played no role at all. And that tests of mental ability were imperfect didn't mean they were useless and should be discarded. Flynn felt such issues were worth debating-openly and honestly.

"I am happy to discuss the race and IQ debate with colleagues who hold contrary views," he wrote in a 2017 paper. "Telling someone that what they believe is morally remiss or telling them that if they persist in my style." These days, unfortunately, it's precisely the style of many liberal elites when it comes to discussing racial inequality. Question racial preferences, Black Lives Matter activism or critical race theory, and vou are considered not merely in error but in sin. For Flynn, dodging difficult topics was intellectual cowardice. "To advise scholars that they should not systemically investigate race and IO seems to me to raise the question of what we are afraid of."

disagreeing, I will expose them is not

Earlier this year we lost Abigail Thernstrom and Walter Williams, two of the country's leading race scholars. Flynn didn't share their conservative politics. He was a committed leftist who named his son after the socialist Eugene Debs and left for New Zealand in the early 1960s because he was disgusted by McCarthyism and Jim Crow. What Flynn did share with his fellow controversialists was courage and a commitment to prioritizing facts and evidence over faddish thinking. He taught us how to discuss intelligence intelligently.

The Trouble With Facial Recognition Doesn't Justify a Ban

By Brian E. Finch

assachusetts Gov. Charlie Baker was right not to sign legislation banning the use of facial-recognition technology by law-enforcement and public agencies statewide. The technology has come under fire over its potential for misuse and embedded racial biases. San Francisco and Oakland, Calif., have already banned its use by government agencies. But on Thursday Mr. Baker sent back to the Legislature a police-reform bill that included a blanket moratorium on facial-recognition systems, citing the technology's usefulness in catching perpetrators of egregious crimes.

Whatever Massachusetts lawmakers do, they won't be the last to consider complete bans on the use of facial-recognition systems. Various cities and New York state are considering some form of facial-recognition technology bans, and privacy-minded members of Congress will no doubt reintroduce federal bans in 2021.

Calls for such bans aren't surpris-

ing, especially those aimed at systems that put a name to pictures of otherwise unknown suspects. Known "one to many" systems, that matching process is powered by software algorithms that rapidly compare an unknown person's picture to databases of millions of mug shots and other identification

In the past few years, one-tomany algorithm developers have routinely claimed that they could correctly identify unknown persons more than 99% of the time. Testing conducted by the federal government's pre-eminent facial-recognition experts at the National Institute of Standards and Technology has verified many of those claims, but with an enormous caveat: Those rates generally only applied to matching queries involving white suspects.

Misidentification or "false positive" rates were often far higher when pictures of minority subjects were analyzed, NIST deemed that "particularly important" because a consequence of that higher false

positive rate in minority groups led to mistaken arrests.

In an era when law enforcement agencies are already being accused of "systemic racism," it should be no surprise that criminal justice reform advocates cite NIST's test results as all the evidence needed to ban facial-recognition systems. It doesn't help that nationwide facial-recognition systems have enabled China to surveil its own citizens, to the point where police may be alerted any time a member of the politically repressed Uighur minority is spotted.

Yet when those flaws are put in their broader context, the case for outright facial-recognition bans becomes much weaker. False-positive rates have generally gone down as facial-recognition tech has improved. When tested by NIST, the best-designed algorithms excelled at correctly identifying individuals regardless of their race, ethnicity, sex or any other characteristic.

Further, ban proponents often fail to acknowledge that training, policy requirements and human review mitigate shortcomings in the algorithms. Consider the federal government's primary facial-recognition system—the Federal Bureau of Investigation's Next Generation Identification-Interstate Photo System. The FBI carefully limits its use.

It's helped find thousands of dangerous criminals. Reasonable limits can prevent abuse and error.

The NGI-IPS checks unknown individuals only against previously verified criminal mug shots or select civilian photos of criminals to minimize the universe of people on whom it keeps a record. If you've never been arrested, you won't be in the FBI's criminal facial-recognition database. Further, before any state or local law-enforcement agency is allowed to submit a request to the NGI-IPS, it must agree that its user will complete FBI-mandated facialrecognition training.

Law-enforcement officials using the FBI system must also agree that any photos returned by the FBI (of which there will be no more than 50) will be used for investigative lead purposes only, not as definitive positive identification of the perpetrator of a crime. Such limits have proved highly effective and resulted in virtually no known cases of misidentification, regardless of the racial or ethnic status of the suspected individuals.

Those lessons have been incorporated into an exemplary statute in Washington state that limits, but doesn't eliminate, its law-enforcement agencies' use of facial-recognition systems.

Enacted last March, the Washington law incorporates the FBI's training requirements as well as its requirement that algorithm-generated results be used when a search warrant has been obtained-though in emergencies, it can be procured up to 48 hours after the surveillance.

States looking to minimize potential bad results from the use of facial-recognition systems would do well to adopt some combination of the FBI and Washington state restrictions. If those were combined with a requirement that systems be vetted thoroughly by NIST for accuracy across race, ethnicity and sex, the likelihood of wrongful arrests caused by algorithm errors would drop precipitously.

Sloppy use of facial-recognition systems can result in serious harm to innocent people. But those bad outcomes can be mitigated through rigorous testing, training and boundaries on its use. Considering that facial-recognition systems have already helped to identify thousands of child sex traffickers, murder suspects and other criminals, legislators should think carefully before imposing blanket bans on such a useful technology.

Mr. Finch is an attorney in Washington and a visiting legal fellow at the Heritage Foundation.

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A Dec. 13 Twitter thread by Sarah Parcak, a professor of archaeology at the University of Alabama at Birmingham and a fellow at the John Simon Guggenheim Foundation:

I know everyone is angry about what Joseph epstein wrote about Dr Biden yesterday in the @WSJ However the real aim for our ire should be @jamestaranto the editor of their op-ed page. He has, so far, completely escaped accountability. That

James, explain yourself. When 3k+ Americans die daily from covid, millions suffer w food insecurity +eviction, major sedition happening, racism, climate change...you give space to an angry old white misogynist to yell at our future 1st

'Well it started a national conversation" you might argue. Yes, the conversation goes "F- the WSJ, F-Joseph Epstein, and F— their trash op-ed pages."

I hope you consider pulling the piece, apologizing, and committing to making the WSJ op ed page something people want to read. Oh, also: go f- yourself.

A Dec. 14 tweet by Prof. Parcak:

Living Human Garbage Monster™ Paul Gigot, WSJ head opinion editor *doubled down* on the Dr Jill Biden opinion piece, saving "She is open to criticism". Hey @WSJ writers, are you cool with blatant sexism and misogyny and slander against women?

PAID ADVERTISEMENT

We're standing up to Apple for small businesses everywhere

At Facebook, small business is at the core of our business. More than 10 million businesses use our advertising tools each month to find new customers, hire employees and engage with their communities.

Many in the small business community have shared concerns about Apple's forced software update, which will limit businesses' ability to run personalized ads and reach their customers effectively.

Forty-four percent of small to medium businesses started or increased their usage of personalized ads on social media during the pandemic, according to a new Deloitte study. Without personalized ads, Facebook data shows that the average small business advertiser stands to see a cut of over 60% in their sales for every dollar they spend.

While limiting how personalized ads can be used does impact larger companies like us, these changes will be devastating to small businesses, adding to the many challenges they face right now.

Small businesses deserve to be heard. We hear your concerns, and we stand with you.

Join us at fb.com/SpeakUpForSmall

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Wednesday, December 16, 2020 | **B1**

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By saying no to some retailers' package pickups, parcel-shipping companies have been able to protect their on-time delivery scores.

FedEx, UPS Stick to Their Caps On Pickups, Slowing Shipments

By PAUL ZIORRO AND SARAH NASSAUER

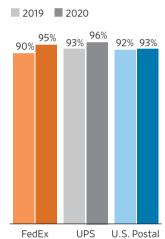
FedEx Corp. and United Parcel Service Inc. have largely kept up with the record onslaught of packages since Thanksgiving, though that is in part because of efforts to lighten their loads.

Rather than risk having systems clogged with packages, both FedEx and UPS are holding a harder line by enforcing a preset limit on the daily number of packages they will pick up. The policy is creating backlogs in some of the shippers' warehouses, affecting retailers as large as **Costco Wholesale** Corp. down to small- and medium-size companies.

For consumers, that means deliveries could arrive late, and anyone determined to get a gift delivered by Christmas needed to have ordered it by Tuesday to avoid paying extra shipping fees.

nance chief, said that some days UPS and FedEx aren't picking up all the packages the retailer wants to ship, which is causing delays. "We, like oth-Richard Galanti, Costco's fi- ers, are figuring out other

things to do, not on a big scale," he said. Costco recently started using Instacart to ship items like Apple Inc. AirPods and Instant Pots for same-day delivery, instead of just offerOn-time delivery scores*



Two weeks between Nov. 22 and Dec. 5

ing grocery items through that service.

One order placed with Costco on Black Friday, for instance, showed it being pre-Please turn to page B2

High-Speed Traders Race For an Edge

An experimental type of hollow cable is the latest technology used to send data faster

By Alexander Osipovich

High-frequency traders are using an experimental type of cable to speed up their systems by billionths of a second, the latest move in a technological arms race to execute stock trades as quickly as possible.

The cable, called hollow-core fiber, is a next-generation version of the fiber-optic cable used to deliver broadband internet to homes and businesses. Made of glass, such cables carry data encoded as beams of light. But instead of being solid, hollow-core fiber is empty inside, with dozens of parallel, air-filled channels narrower than a human hair.

Because light travels nearly 50% faster through air than glass, it takes about one-third less time to send data through hollow-core fiber than through the same length of standard fi-

The difference is often just a minuscule fraction of a second. But in high-frequency trading, that can make the difference between profits and losses. HFT firms use sophisticated algorithms and ultrafast data networks to execute rapid-fire trades in stocks, options and futures. Many are secretive about their trading strategies and technology.

Hollow-core fiber is the latest in a series of advances that fast traders have used to try to outrace their competition. A decade ago, a company called Spread Networks spent about

\$300 million to lay fiber-optic cable in a straight line from Chicago to New York, so traders could send data back and forth along the route in just 13 milliseconds, or thousandths of a second. Within a few years the link was superseded by microwave networks that reduced transmission times along the route to less than 9 milliseconds.

HFT firms have also used lasers to zip data between the data centers of the New York Stock Exchange and Nasdaq Inc., and they have embedded their algorithms in superfast computer chips. Now, faced with the limits of physics and technology, traders are left fighting over nanoseconds.

"The time increments of these improvements have gotten markedly smaller," said Michael Persico, chief executive of Anova Financial Networks, a technology provider that runs communications networks used by HFT firms.

High-frequency trading is controversial, with critics saying that some ultrafast strategies amount to an invisible tax on investors. Industry representatives say such criticism is unfounded.

Chicago-based DRW Holdings LLC and Jump Trading LLC are among the trading firms that have used hollowcore fiber, people familiar with the matter said. Jump's venture-capital arm has invested in Lumenisity Ltd., a U.K. startup that makes such fiber, one of the people said.

High-frequency traders use hollow-core fiber for short distances of several hundred yards at most, according to industry engineers and executives. One

Please turn to page B4

Endorses Turn to Electric

By WILLIAM BOSTON

BERLIN—Volkswagen AG shares rose nearly 8% on Tuesday after the car maker's top shareholders and union leaders publicly backed Chief Executive Herbert Diess's strategy to refocus the company on electric vehicles.

The action by the company's directors late Monday, including confirming several top appointments by Mr. Diess, put an end to weeks of internal wrangling over the pace of change at the world's biggest auto maker by sales. The CEO's push to accelerate the shift to electric cars and quickly fill empty executive positions had met opposition from labor leaders, who under German law hold half the seats on Volkswagen's board of directors.

"Everyone is grateful for the clear strategy that Diess is pursuing," said Hiltrud Werner, a management board member who restructured the company's compliance and legal departments in the wake of the diesel-emissions testing scandal. "He has the support of all the people on the board."

Volkswagen's travails have highlighted the pressure confronting global car makers, from General Motors to Toyota, as they seek to meet the challenge of reducing carbon emissions. The transformation required is having far-reaching effects on production processes, jobs and even the economy of entire regions. Please turn to page B2 | to wealth management and

VW Board | Co-Working Spaces Add to Office-Market Woes

By Konrad Putzier

Empty co-working spaces are helping push office vacancies in big cities to levels not seen in decades, threatening the commercial-property sector's reputation as a haven for investors. Office buildings are often

considered relatively protected from economic shocks because most tenants are locked into long-term leases of five years and often more. Landlords could count on steady income even at times when corporate profits are down. The rise of co-working and

other forms of flexible, shortterm office space is starting to change that dynamic. These spaces make up a growing share of the office market in big cities such as New York, San Francisco and Los

Because co-working leases typically last only a few months to a year, vacancies are starting to soar when many companies are working



Vacancy for flexible office space is rising as more people work remotely. A WeWork area in New York.

That trend could make the office market more volatile, heightening booms and busts, with powerful implications for investors. Banks are typically less eager to finance properties with fluctuating income, investors say, leading to higher mortgage costs.

"They don't want to take

Costello, senior vice president at research firm Real Capital Analytics Inc.

Higher mortgage rates and lower loan amounts, in turn, tend to lead to lower property valuations.

Co-working executives estimate that as much as 50% of all flexible office space in

any market risk," said Jim major U.S. cities is currently available for lease. That availability would help push the overall office-availability rate in San Francisco to 21.8%, the highest figure on record, according to CBRE Group Inc. An availability rate reflects vacant or occupied space that is available for

In Manhattan, the estimated availability rate after factoring in similarly high coworking vacancies is 15.9%, the highest since 1995. Some real-estate analysts expect these figures to continue rising, as more companies look to cut costs and embrace remote work.

Because co-working still accounts for a small share of the office sector, the impact on availability rates in big cities is limited to a few percentage points at most, according to CBRE's estimates.

But most analysts expect flexible office space to become a much bigger part of the market. In a September survey, 86% of office users told CBRE that flexible office space will play a role in their long-term real-estate strategy, up from 73% in June.

Meanwhile more landlords, facing competition from We-Work and its peers, are starting to offer short-term deals to fill vacant space.

Rising vacancies and weak Please turn to page B6

Credit Suisse Puts Renewed Focus On Wealth-Management Business

By Margot Patrick

Credit Suisse Group AG's new chief executive said managing rich people's money will be a priority for the bank, setting a target to boost wealthmanagement profit by at least a quarter in the coming years.

Chief Executive Thomas Gottstein, who took over the bank this year after a spying scandal rocked its executive ranks, said the bank would allocate two-thirds of its capital

one-third to investment banking. The split between its two main businesses continues the strategy set out by his predecessor, Tidjane Thiam, who was forced to resign in February over the spying scandal.

The outlook was part of Mr. Gottstein's first strategy presentation to investors, which took place Tuesday. Credit Suisse said fourth-quarter performance has been strong in both wealth management and

investment banking. Both segments have had a solid year as markets were supported by central bank and government relief measures.

Credit Suisse has struggled in the past to convince investors that its formula of balancing the steady business of wealth management with more volatile investment banking will

succeed over the long term. Bank executives said Tuesday that steps for the divisions to piggyback off each other are paying off-for example, by connecting entrepreneurs look-

Please turn to page B12

INSIDE



MEDIA Condé Nast names Anna Wintour its first global chief content officer. B3



Covid-19 vaccines drive shares of hard-hit real-estate stocks higher. B6

TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

iii today's edition. Articles	on regional page inserts of
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A	F
AbbVie	FacebookA1,A4,B4,B4,B14 Fannie MaeA2 FedExB3 Freddie MacB4 Furukawa ElectricB4 G Gaming & Leisure
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Shipments

Slow for Holidays

Continued from page B1

pared for shipment the next

day, according to tracking data

reviewed by The Wall Street

Journal. However, it didn't reach a UPS facility for 13 days

as it sat in limbo in California.

The order was scheduled to

reach its destination in New York three days later, within

the shipping time frame provided by UPS but 18 days from

Mr. Galanti said that while

there are some delays, Costco delivers within the time frame

promised on its website

the carrier "is picking up and

delivering planned volume"

and that its on-time perfor-

mance has led the industry

since the beginning of October.

"We are adhering closely to

collaborative plans we have

mutually agreed upon with our

customers, and we always

strive to provide reliable ser-

Examples like the Black Fri-

day order show that even

though packages take longer

to arrive, FedEx and UPS can

tout delivery scores that are

better than a year ago despite

record high package volumes

and other challenges related to the pandemic, such as

"While this may help the

carriers maintain service stan-

dards, it leaves retailers frus-

trated as they've scrambled to

seek out delivery alternatives,"

said Trevor Outman, co-chief

executive of shipping consult-

For the two weeks between

Nov. 22 and Dec. 5, on-time

scores were 94.9% for FedEx,

96.3% for UPS and 92.8% for

the U.S. Postal Service, accord-

ing to ShipMatrix, a software

provider that analyzes ship-

ping data. All were better than

last year during a comparable

period including Black Friday

ShipMatrix President Satish

Jindel said that 2.5 million

packages will take an extra

day or two to be delivered.

and advised shoppers to order

items by Dec. 15 to receive

them by Christmas without

having to pay higher shipping

to network upgrades and hir-

ing tens of thousands of work-

ers, have spent months plan-

with their

customers on shipping fore-

casts and the carriers have al-

lotted companies certain

amounts of packages by the

large

FedEx and UPS, in addition

and Cyber Monday.

charges.

ning

ing firm Shipware LLC.

vice," he said.

worker illness.

A UPS spokesman said that

around 95% of the time.

when it was ordered.

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day or week. If shippers exceed that amount, the carriers pause pickups until the network has the ability to take on "In years past, the carriers

would take every single package available to them and hope like heck that they could put them through their syssaid James Thibault, who spent 30 years at UPS before joining Intelligent Audit, a freight audit and analytics company. "This year is a marked change.'

Target Corp. is shipping the "vast majority" of packages within the delivery windows shoppers see when they order and promised shipping times are in line with prior holiday seasons, said a spokeswoman. In a small number of cases, the retailer is lightening the load on carriers by making some items available only for same-day delivery or pickup, which use other delivery methods, she said. Target hasn't set a blanket cutoff date for packages to arrive by Christmas, instead showing ship-by dates for each item online, she said.

Several large retailers, including Gap Inc. and Macy's Inc., faced temporary restrictions on shipping volumes shortly after Thanksgiving. Other shippers say they were cut off with little notice.

Deliveries poured into goTRG by the thousands in the days after Thanksgiving. The company, owned by the Recon Group LLP, processes returns for major retailers and then resells electronics, sporting goods and other items through various websites, including Walmart.com, eBay and Amazon.com.

Orders averaged 2,500 a day at four of its warehouses until FedEx hit the brakes. The carrier on Dec. 2 told the company that it would pick up only 200 orders a day until further notice.

"We were never told in advance" of shipping limits, said David Malka, goTRG's chief sales officer. "We were told after the fact."

The boxes piled up on the company's loading dock. At one Kentucky warehouse, goTRG has stopped shipping with FedEx and is considering relabeling some of thousands of packages waiting to be shipped with other carriers.

A FedEx spokesman said the company had been working with customers to understand the expected shipping volume but that, in some cases, volume is significantly

higher than projections. The Postal Service on Monday said record-high shipping volumes, employee shortages due to the coronavirus and not enough room on airplanes and trucks have led to some temporary delays.

CORPORATE WATCH

ALPHABET **Gmail Service**

Suffers Disruption

A number of Gmail users experienced issues with the email service Tuesday, a day after more than a dozen Google services such as YouTube endured a nearly hourlong disruption.

Alphabet Inc.-owned Google said that while some users could access their accounts, they might see error messages, experience delays or encounter other unexpected behavior. Some users were getting bounce-back notifications after sending messages to certain email addresses. The company said a large swath of Gmail users were affected.

The issues began around 4:30 p.m. Eastern time and service had been restored to all of its users around 7 p.m., the company said.

Temporary interruptions for popular online services are relatively common, though their impact has increased as more people rely on them as a result of the coronavirus pandemic and more businesses outsource their digital infrastructure and tools to outside businesses, often large internet companies.

Google's Gmail is one of the most popular email clients world-wide, and the company's Workspace office tools, formerly known as G Suite and a rival to Microsoft Corp.'s Office, are popular among businesses and institutions. Google said last year that the email service, launched in 2004, had 1.5 billion users.

On Monday, the company had problems with its authentication —Kimberly Chin system.

Blade Urban Air Mobility arranges for the booking of air taxis and charter flights. **ELI LILLY**

BLADE URBAN AIR

Charter Broker Set

To List With SPAC

ban Air Mobility Inc. will go

public through a combination

company Experience Invest-

Blade at about \$825 million.

ter the transaction closes.

with special-purpose acquisition

ment Corp., in a deal that values

Blade stockholders are ex-

pected to hold about 43% of is-

sued and shares outstanding af-

Investors include commitments

tal Management, KSL Capital

Partners and David Geffen, as

well as original investors Barry

Diller, David Zaslav and Robert

-Dave Sebastian

Pittman.

from Hedosophia, HG Vora Capi-

Air-charter broker Blade Ur-

Guidance Increases, Acquisition Unveiled

Eli Lilly & Co. raised its guidance for 2020 and set its outlook for 2021, anticipating a benefit from Covid-19 treatment sales and portfolio expansion.

The drugmaker also said it agreed to buy Prevail Therapeutics Inc. for up to \$1.04 billion, or \$26.50 a share, giving Lilly access to Prevail's set of gene therapies for Parkinson's and other neurodegenerative diseases. The deal value includes about \$880 million in cash. The other \$160 million is contingent upon certain regulatory approvals of a product from Prevail's pipeline. —Dave Sebastian

PENN NATIONAL GAMING

Casino Operations In Maryland Bought

Penn National Gaming Inc. agreed to pay \$31.1 million for casino operations at a property in Marvland, a deal it said would allow it to return to the gambling market in that state.

Penn National said its acquisition of the Hollywood Casino Perryville from Gaming & Leisure Properties Inc. is expected to be completed next year, pending approval by Maryland regulators. Gaming & Leisure said it would retain ownership of the real estate that the Hollywood Casino Perryville uses and lease the space to Penn National.

—Micah Maidenberg



VW BoardBacks Turn To Electric

Continued from page B1 The change among incumbent auto makers is being driven both by tighter emissions regulation and increased competition from a new breed of all-

electric startups. The deal reached by Volkswagen's directors "puts an end, at least for the moment. to the excessive frictions between management and other key stakeholders," said Arndt Ellinghorst, senior auto analyst at Bernstein Research. "Yesterday's resolutions clarify management's mandate and offer an opportunity to focus on VW's fundamental matters."



CEO Herbert Diess made peace with the board and won approval for managementteam picks.

In recent weeks, German media had reported that Mr. Diess was seeking an early extension of his contract as a vote of confidence from the board. The company's board includes the Porsche family, who are the controlling shareholders, and the state premier of Lower Saxony, which holds a 20% blocking minority, as well as the Qatar Investment Authority. Neither Mr. Diess nor Volkswagen would confirm the reports.

Chairman Hans Dieter Pötsch met all of the players

separately over the weekend, people familiar with the situation said, brokering a compromise in which the board would make a clear statement of support for Mr. Diess and his strategy and back his candidates to fill open positions on the executive board.

As a concession to the labor side, Mr. Diess agreed to make the company's main plant in Wolfsburg, Germany, a model factory for building the most advanced electric vehicles—a move that would secure thousands of jobs for the next de-

"For us it is of decisive importance that Herbert Diess with his new management team will continue to shape this important era at Volkswagen," Wolfgang Porsche and Hans Michael Piech, heads of the Porsche-Piech clan, said after the meeting.

In the summer, Bernd Osterloh, head of Volkswagen's powerful works council and a member of the supervisory board, persuaded other directors to strip the CEO of responsibility for the day-to-day operations of the VW brand. the company's biggest business. That conflict left Mr. Diess uncertain about how much support he had from the board, according to people familiar with the situation.

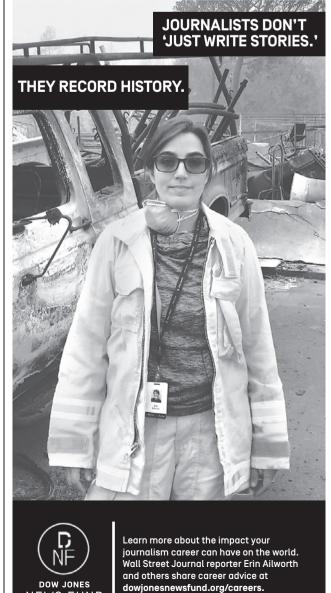
After Monday's decisions, Mr. Osterloh said there was total agreement between the supervisory board, executive board, and labor representatives. Mr. Diess was relieved that the conflict had been put to rest and that the new board members would be able to take up their jobs soon, one person close to him said.

The board appointed Arno Antlitz to succeed Frank Witter as chief finance officer in June. Mr. Antlitz is currently finance chief at Audi, Volkswagen's luxury car unit. The

NEWS FUND

board also approved Mr. Diess's plan to split board responsibilities for purchasing and components manufacturing and create a new position, appointing Thomas Schmall, current head of the compo-

nents business, as chief technology officer. Murat Aksel, currently purchasing chief at the VW brand, will take on additional responsibilities as purchasing chief for the entire Volkswagen company.



Wintour to Oversee Condé Nast Content

Powerful Vogue editor given additional duties as magazine publisher rethinks its strategy

By Lukas I. Alpert

Anna Wintour, long one of the most influential editors in the magazine world, is about to get even more powerful.

Condé Nast named Ms. Wintour its first-ever global chief content officer as part of the media company's broader push to unify its international and U.S. operations.

The promotion gives Ms. Wintour oversight of all Condé Nast's brands world-wide and puts her in charge of all of Vogue's 25 global editions, on top of her longtime role as editor in chief of Vogue U.S.

The move comes after a tough year for Condé Nast, punctuated by layoffs and staff unrest over diversity issues. Ms. Wintour's critics said she has contributed to an atmosphere where Black employees felt sidelined and belittled during her 32 years at the company. In a memo to staff in June, Ms. Wintour said she took responsibility for failures



Anna Wintour, who was named Vogue's U.S. editor in 1988, recently took heat over diversity issues.

to elevate Black staffers and vowed to do better.

The decision by Condé Nast Chief Executive Roger Lynch to give the 71-year-old Ms. Wintour broader responsibilities is a vote of confidence in her ability to help lead the company as it tries to return to profitability.

"Anna's appointment represents a pivotal moment for Condé Nast as her ability to stay ahead in connecting with new audiences, while cultivating and mentoring some of to-

day's brightest talent in the industry, has made her one of media's most distinguished executives," said Mr. Lynch, to whom Ms. Wintour will continue to report.

Ms. Wintour was named Vogue's U.S. editor in 1988 and

quickly became one of the most influential tastemakers in the fashion industry, forging deep relationships with the top fashion houses and making stars of up-and-coming designers. She turned the magazine into the company's biggest moneymaker, and in 2014 she was named Condé Nast's U.S. artistic director. Last year she joined a global leadership team to advise on global content opportunities.

Mr. Lynch took charge of Condé Nast, whose many titles include Vanity Fair, the New Yorker, Bon Appétit and GQ, in April 2019, after stints running TV. Since then, he has worked to merge the company's U.S. and sprawling international businesses. He has also worked to expand in digital video and move all the company's titles behind digital paywalls to supplement declining ad revenue.

Mr. Lynch said in an interview that the company now makes less than half its revenue from advertising in the pages of its print magazines.

"We are deeply immersed in a very broad transformation project," he said, adding that the coronavirus pandemic has

accelerated some of the changes.

In 2017, Condé Nast had a loss of \$120 million after a yearslong, industrywide shift of readership and ad spending from magazines to the web. The company had set 2020 as its target to return to profitability, but was set back by the impact of the pandemic.

In May, the company laid off about 100 people in the U.S. and temporarily furloughed a similar number of people.

Mr. Lynch wouldn't discuss Condé Nast's financial performance in 2020 but said the company was projecting double-digit percentage revenue growth next year and was committed to increasing editorial spending by 25% over the next four years.

"We are now focused on how we can take advantage of the global reach of our brands at a scale we have never been able to before," Ms. Wintour said.

As part of its effort to streamline operations world-wide, the company is also announcing newly created global editorial directors for Architectural Digest, Condé and GQ.

Pop Music's Chainsmokers Back Investor Site Public.com

By Laura Cooper

The Chainsmokers have taken an interest in finance, and hope that their latest investment will entice fans to follow.

The electronic DJ duo are joining celebrities like professional skateboarder Tony Hawk in backing **Public Holdings** Inc., which runs Public.com, an investing and social-networking site where users are encouraged to learn from each other about investing and stocks.

Although better known for their music, including the Grammy-winning song "Don't Let Me Down." the DJs have made a concerted push into investing this year—starting Mantis VC, a venture-capital firm, and backing multiple businesses along the way.

Their investment in Public highlights two values important to the group: community and financial literacy. They are betting that their Gen Z and millennial fans share those interests and will use the platform.

"We have a deep understanding of things that are important to them," Alex Pall, one of the Chainsmokers, said of their fans. "I think it's important to build financial literacy. I'm still building that." member Drew Taggart have joined investment management firms in backing Public, which announced Tuesday that it has raised \$65 million in its second investment round this year, bringing its total funding to \$90 million. The Chainsmokers, through Mantis, and Mr. Hawk participated in the latest round led by Accel and which included Lakestar Advisors GmbH, Greycroft LP, Advancit Capital and business executive Dick Parsons, a former chairman of Citigroup.

The latest funding isn't Public's first investment by celebrities. Previously, actor Will Smith through his Dreamers VC and pro football star J.J.

Watt have backed the company, as has business professor and entrepreneur Scott Galloway.

Public.com is a smartphone app that aims to open up equity markets to those with small amounts of money to invest, while also helping its users learn about investing, including the ups and downs. Investors using Public.com can purchase stocks, fractions of shares and exchange-traded funds without paying a commission.

On Public.com, users can also share their thoughts on a social network that includes pictures and statuses. Those statuses can include why an individual is investing in a company, concerns about losses and how investments have panned out.

The musicians are throwing their weight behind the investing platform as more Americans are becoming involved in the stock market through businesses like Public and Robinhood Markets Inc. But Public.com doesn't allow day-trading or investing on margin, or using borrowed funds, which can lead to magnified

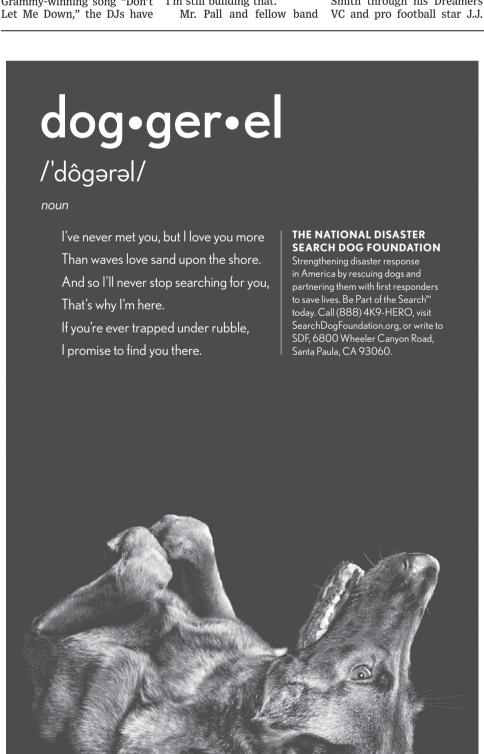
Investing in Public was a "chicken before the egg situation," Mr. Pall said. He said the Chainsmokers were interested in backing the company before the close of their first Mantis

venture fund.

Mantis raised its first venture-investment fund earlier this year and has already made 15 investments in various businesses, Mr. Pall said.

Public itself has continued to grow this year by fostering a "collaborative culture," said Leif Abraham, a co-chief executive of the business. A goal, he said, is to "actively get people into the stock market who have been left out of it." For instance, some 40% of Public.com's users are women, he said.

The platform has seen its user base grow 10-fold since launching Public.com in September 2019.





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Small glass tubes known as core tubes in the OFS Hollow-Core lab at the beginning stage of hollow-core fiber fabrication.

Speed **Traders** Seek Edge

Continued from page B1 common use, they say, is to connect the data center housing an exchange's systems to a nearby communications tower. From there, HFT firms transmit data onward through cross-country networks of microwave antennas.

Replacing standard fiber with hollow-core fiber over that brief stretch might speed § up a firm's network by a few hundred nanoseconds. A nanosecond is a billionth of a sec-

Anova started using hollow-



Testing area for the hollow-core fiber checking data transmission at the OFS lab.

their networks. Hollow-core fiber was pioneered in the 1990s but never gained widespread use because of a key problem: Signals sent through such fiber fade faster than over standard fiber, making it impractical to use hollow-core fiber for long distances. It is also costly to manufacture because of its intricate structure.

In recent years, though, the cost has come down and some manufacturers have succeeded in creating hollow-core fiber that can transmit data over longer distances. That has spurred interest from traders.

One manufacturer, OFS, has received more than a dozen inquiries about hollow-core fiber from HFT firms or providers of high-speed trading networks during the past year, said Daryl Inniss, director of new business development at OFS. Hollow-core fiber made by OFS-a U.S.-based unit of Japan's Furukawa Electric Co.

as an early adopter for the use of hollow-core," Lumenisity Executive Chairman David Parker said in an interview. He declined to comment on his firm's relationship with Jump.

bends that slow transmission. Supporters say hollow-core fiber could be used for highbandwidth links in places like northern New Jersey where the NYSE and Nasdaq have

"When you're sending light into a solid fiber, it's like window 50 miles thick," said Dave Gustafson, a former head

Ltd.—is already being used by several firms active in HFT or trading technology, he added. Lumenisity, the startup backed by Jump, is betting that hollow-core fiber will find uses beyond trading, for instance in telecommunications and 5G networks. "We see HFT

The jury is out on whether hollow-core fiber will make deeper inroads into HFT. Industry skeptics say that even if manufacturers create fiber that can send data for tens or hundreds of miles, it is unlikely to replace wireless networks that transmit over straight lines through the air since underground cables inevitably have

their data centers.

you're sending it through a of wireless engineering at Jump. "With hollow-core, you're sending it through 50 miles of air."



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Twitter Fined In Europe Over Data Breach

Penalty is the first for a U.S. tech firm under 2018 privacy law, after bureaucratic infighting

By Sam Schechner

Two-and-a-half-years after going into effect, the European Union's new privacy law produced its first fine for a U.S. tech company in a cross-border case—an overdue development, critics say.

Ireland's Data Protection Commission said Tuesday that it is fining **Twitter** Inc. €450,000, equivalent to about \$546,000, for failing to document or properly notify the regulator within 72 hours of learning of a data breach disclosed in January 2019 that exposed some users' private

"We take responsibility for this mistake and remain fully committed to protecting the privacy and data of our customers," said Damien Kieran, Twitter's chief privacy officer, adding that the delay in notification was an "unanticipated consequence of staffing between Christmas Day 2018 and New Year's Day."

The case is a bellwether because it is the first in a long pipeline of privacy cases involving big U.S. tech companies in Ireland, including Facebook Inc., Apple Inc. and Alphabet Inc.'s Google. Ireland's data commission leads enforcement of the EU's General Data Protection Regulation, or GDPR, for those and other U.S. companies that have their regional headquarters in the country.

It has taken nearly two years for Ireland's data commission to arrive at a decision in the Twitter case, including nearly five months for the commission and its counterparts in other EU countries to squabble over jurisdiction, investigatory scope and the amount of the fine.

That is fueling frustration among some privacy activists and EU privacy regulators that the bloc's enforcement is too

"We are coming to a turning point where the GDPR really needs to start delivering," said David Martin, senior legal officer at BEUC, an umbrella organization for European consumer-rights groups that is a strong supporter of the law. "The credibility of the whole system is at stake if enforcement doesn't improve."

In one sign of that frustration, some other regulators are starting to push their own privacy cases using laws other than the GDPR, said Paul Nemitz, principal adviser on justice policy for the European Commission, the EU's executive arm. Last week, France's privacy regulator, the CNIL, fined Google and Amazon.com Inc. a combined \$163 million for violations of a separate rule called the ePrivacy directive. That allowed the CNIL effectively to side-step the power sharing with other EU privacy regulators built into the GDPR, known as the one-stop shop.

"It is important that the lead authority for Google and other tech companies enforce GDPR properly to preserve the functioning of the one-stop shop," Mr. Nemitz said.

Helen Dixon, the head of the Irish Data Protection Commission, said that GDPR enforcement and power sharing is a work in progress, and that her office has been handling its cases methodically to make sure that its decisions stand up to expected court challenges.

"Am I satisfied? No. The process didn't work particularly well. I think it's too long," Ms. Dixon said of the Twitter case in an interview broadcast at a tech conference this month. "On the other hand, it is the first time EU data-protection authorities have stepped through the process, so maybe it can only get better from here."

The case stems from a security hole that Twitter said it fixed in January 2019 that, over a period of more than four years, exposed the private tweets of some users.

Ireland's investigation later found that the company's data-protection officer wasn't copied on an incident ticket initially, leading to a delay in notifying the regulator.

In May 2020, after 15 months of investigation and at least four rounds of back-andforth with Twitter, Ireland's

The hours firms have to notify regulators of a data breach

data commission sent a draft decision finding Twitter in violation of breach-notification rules to its counterparts as part of a comments process stipulated in the GDPR, according to a timeline provided by European Data Protection Board, which is composed of the privacy regulators from all 27 EU member states. Several raised objections on an array of points—some of them contradictory. In August, Ireland triggered a dispute-resolution process at the European

One major source of con-

tention was the fine. The GDPR allows privacy regulators to fine a company up to 2% of its global annual revenue—or \$60 million, based on Twitter's 2018 revenue—for failure to properly notify the regulator of data breaches. But the Irish data commission recommended a fine of only 0.25% to 0.5% of that maximum because it found the violation was negligent, not intentional or systematic. Hamburg's privacy regulator, representing Germany, wanted a more dissuasive fine, citing a range between €7 million and €22 million, according to the European board.

In early November, the board issued its final decision on the disputes, siding with Ireland on all the issues apart from the fine, which it ordered the data commission to increase, but without specifying an amount.

The €450,000 fine Ireland assessed was about two-thirds higher than the top of the range it had originally proposed. The regulator described it as "an effective, proportionate and dissuasive measure."



The size of the fine against the tech firm was an EU sticking point.

ond.

core fiber about two years ago after a few trading firms deployed it, Mr. Persico said. Two other firms that provide communications services for high-speed traders, McKay Brothers LLC and BSO Network Solutions Ltd., also said

they use hollow-core fiber in ADVERTISEMENT

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THE PROPERTY REPORT

Vaccines Boost Hard-Hit Realty Stocks

Shares, REITs rebound along with retail confidence after being battered by pandemic

By Esther Fung

Some of the worst-performing real-estate stocks this year are finally having their mo-

Even though Covid-19 infection rates in the U.S. are at new highs and a number of cities and states are reimposing restrictions, investors are looking ahead to new vaccines and a time when shops and restaurants reopen and travel resumes. Stock buyers have been scooping up shares of companies that are beaten down but stand to benefit from the economy's eventual reopening.

Share prices for hotels, retail and office landlords jumped more than a third and have held those gains since Nov. 9, the day when Pfizer Inc. and BioNTech SE announced their promising vaccine results.

The FTSE Nareit Equity Lodging/Resorts index has soared 49% while the regional malls and shopping centers REIT indexes are each up more than 40% since the vaccine announcement. Those returns made these real-estate investment trusts two of the best performing sectors. Over that same period, the S&P 500 was up 4.6%.

executives have warned that their business may not see a full recovery



Investors are scooping up shares of companies that stand to benefit from the economy's eventual reopening. A mall in Miami.

until at least 2023, even if the pandemic comes under control. Some business executives, including Microsoft Corp. cofounder Bill Gates, have suggested business travel won't bounce back to what it was, maybe ever. Meanwhile, the highly successful initial public offering from Airbnb Inc., whose shares more than doubled in price on the first day of trading, is testimony to a

powerful competitor for tourist dollars.

But after lodging stock prices had tumbled 36% between the end of February and the end of October, investors seemed to conclude there is more upside than downside going forward.

Park Hotels & Resorts Inc. and Xenia Hotels & Resorts Inc. have risen by 62%, as investors anticipate them to

benefit from a pent-up demand for travel after vaccines become widely available.

"I think REITs in general have bottomed out, and I don't think we'll retest the lows,' said Marc Halle, managing partner at Park Lane Investors, which invests in real-estate and property companies. Mr. Halle views this as an opportunity for long-term investors since the earnings recovery may take years, he said.

Even shares of shoppingmall owners have lured buyers this past month. While the secular consumer shift toward online shopping shows no sign of ebbing, investors said some companies with stronger balance sheets looked oversold. especially ones with valuable real estate that could be converted to other uses such as offices or residences.

landlords that have the capital and management skills to repurpose their properties," said Evan Serton, Cohen & Steers senior vice president and senior portfolio specialist.

The investment manager is one of the largest shareholders in Simon Property Group, the country's biggest mall owner. Its shares have risen by more than 41% to \$87.32 over roughly the past month. The Indianapolis-based company also tapped the equity market last month and raised \$1.56 billion at \$72.50 a share from investors, including Cohen & Steers.

Still, some analysts warn of trouble ahead for many retailers if they don't have a strong holiday season, which may be necessary to prevent a number of them from filing for bankruptcy protection. With the resurgence of the coronavirus across the U.S., foot traffic in many shopping locations has also dropped off.

Investors said senior living and nursing homes also show promise as vaccines are expected to be made available to health-care workers and vulnerable groups like the elderly earlier than other segments of the population.

Around one-third of the 87 seniors housing and skilled nursing operators surveyed by the National Investment Center for Seniors Housing & Care last month said that they have a backlog of residents waiting to move in.

The occupancy rate of seniors housing was 82.1% in the third quarter down from 84.7% in the second quarter.

Retired Slugger Rodriguez Teams With Hotel Fund

By WILL PARKER

Baseball legend Alex Rodriguez is teaming with a Miami private-equity firm to invest more than a half-billion dollars in buying or developing hotels at a time when the industry has been ravaged by the pan-

The former New York Yankee known as A-Rod said he is joining CGI Merchant Group in its new hotel investment fund, which the firm launched this month. The venture aims to raise \$650 million to acquire

The venture aims to raise \$650 million to buy properties, with Hilton as a partner.

and develop properties in partnership with Hilton Worldwide Holdings Inc. brands. Maverick Capital Partners, a New York brokerage, will also be part of the venture.

Mr. Rodriguez has been a real-estate investor for many years, going back to his playing

days. He founded his own realestate investment company in 2003, the year before he played his first game for the Bronx Bombers. His Monument Capital Management has made more than \$800 million worth of property acquisitions in more than a dozen states, according to its website. Mr. Rodriguez will invest some of his personal money in the hotel fund and help source deals.

He said investing in hotels right now is a way to capitalize on a travel rebound once the pandemic is under control. "We believe we can acquire assets that are strategically positioned to be in the top-performing percentile once re-strictions are eased," the 14time All-Star said.

The CGI Merchant fund will look to invest in hotels and resorts across North America and the Caribbean, CGI said. with Miami, Seattle and New York City of particular interest. Raoul Thomas, CGI Merchant's chief executive, said the fund will avoid large hotels with open floor plans and large banquet spaces. Lodging properties dependent on large group events, like seminars and conferences, may recover



Alex Rodriguez, who is joining CGI Merchant Group, has been a real-estate investor since 2003.

more slowly than those primarily attracting tourists, he said.

The fund has already made one purchase, the 129-room Gabriel Hotel in Miami, this

past June. Mr. Thomas added. While many other investors have been raising money in anticipation of buying up distressed hotels at rock-bottom prices in the near future, fewer U.S. hotels have changed hands this year than in almost any other year. The volume of hotel sales in 2020 is coming in 84% below 2019 levels as of October, according to a report from

Real Capital Analytics, a realestate data firm.

Hotel performance continues to suffer and business travel shows no signs yet of bouncing back. Hotel-room occupancy, as of the first week of December, is down 38% from the same week in 2019, according to hospitality industry data provider STR. Hotel executives have said they don't expect industry revenue to return to last year's levels until at least 2023.

Despite this grim prognosis, prices of hotels sold this year have fallen just 3.3%. Few sellers have been willing to meet

the lower price expectations of buyers. "The owner of a hotel asset will not sell at a loss unless forced to do so because of distress situations," RCA's re-

But ongoing debt problems for hotel owners could spell deeper distress for the sector and more opportunities for investors like CGI Merchant and A-Rod. The partners said they view the hotel fund as a longterm strategy.

"Wealth is rarely created overnight," Mr. Rodriguez said. -Konrad Putzier contributed to this article.

Venture Firm Pulls In \$500 Million for Biotech

By Brian Gormley

Life-sciences venture firm Westlake Village BioPartners has raised \$500 million across two new funds after quickly deploying its \$327 million debut investment pool that launched in 2018.

Westlake Village, based outside Los Angeles, used its first fund to incubate or invest in 11 biotechnology startups. Now it has raised \$70 million to invest further in the best performers from that first vehicle. Westlake said it plans to invest this "opportunity fund" in the second or later rounds of financ-

ing of these companies. Westlake also has secured \$430 million to invest in new biotechs, raising a larger amount this time so it would have more capital to deploy in these companies as they raise later financing rounds, cofounding managing director

Westlake incubates most of its portfolio companies, a strategy designed to capitalize on the experience of Dr. Seidenberg, who previously invested in biotech startups with Kleiner Perkins, and co-founding managing director Sean Harper, who formerly headed research and development for drugmaker Amgen Inc.

Beth Seidenberg, said.

Starting companies is timeconsuming and involves risk because early-stage drugs often fail in clinical trials. But starting companies also enables venture firms to generate outsize returns on those that succeed, with surges in value occurring after a biotech startup's first drug shows promise in clinical trials.

Other venture investors raising funds recently with a focus on company creation include Atlas Venture, which disclosed a \$400 million fund

Building companies around new biotech research is also the most scientifically interesting work for the team, Dr. Harper said. In addition, because of the success the biotech industry has had in recent years, more corporate employees are willing to leave the security of a large company to join a startup, increasing the pool of talent investors have to draw upon when building companies, according to Dr. Seidenberg.

Market for Flexible Space Falls

Continued from page B1 demand for office space are

already weighing on publicly traded real-estate owners, which are trailing the overall stock market by a considerable margin. Shares of **Boston** Properties Inc. are down 29% year to date, while **SL Green** Realty Corp. shares are 36% lower, according to FactSet. Vornado Realty Trust shares are down 43%

The co-working industry's damping effect on the property market is a reversal from prior years, when the growth of companies including We-Work and Knotel Inc. propped up office rents and real-estate

In New York, a surge in new construction over the past decade led to fears of a glut of office space, as tenants moved out of older buildings.

'That never really happened because flex operators came in and leased up all that space," said Nicole LaRusso, CBRE's director of research and analysis for the New York City area.

Most co-working companies leased office space under long-term deals, and landlords hoped this would mean continued payments even during a recession.

But they are now finding that co-working companies are in some cases unwilling or unable to pay rent, pressuring landlords to renegotiate leases or seeking refuge in bankruptcy courts.

Knotel has said it plans to shrink its footprint and faces lawsuits over unpaid rent. Some entities tied to IWG PLC's Regus locations have filed for bankruptcy to get out of lease obligations. Fitch Ratings in October

downgraded WeWork's bonds, citing "concern over the viability of WeWork's business model in light of a potential lasting shift by companies to a hybrid office model that leads to permanently lower



The downturn reverses a trend in which WeWork helped buoy rents.

office space demand."

Revenue-sharing ments between landlords and co-working companies are increasingly common, exposing property owners more directly to the ups and downs of the market. And co-working vacancies add to a glut of available office space, pushing down rents across cities.

"Even if it's not all direct competition for what you're marketing, you kind of feel the heat," Ms. LaRusso said.

But while the rise of shortterm leases creates challenges for investors, co-working ex-

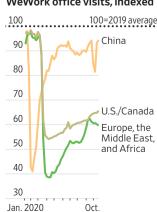
ecutives argue it will lead to better office space and happier tenants.

Office landlords often have less of an incentive to improve their services because their customers, signed to long-term leases, have no choice but to keep paying the rent, said Jamie Hodari, CEO of co-working company Indus-

"Hopefully shifting away from that means suppliers have to do a better job of actually meeting demand rather than sitting in the Hamptons clipping coupons," he said.

Share of office space available for lease





Manhattan and San Francisco numbers are as of November, L.A. numbers are as of Q3. †Estimates based on a 50% availability rate within co-working spaces Sources: CBRE; WeWork

Top SEC Official On Exchanges To Step Down

By Alexander Osipovich

The Securities and Exchange Commission's top official for the oversight of exchanges, brokers and highspeed trading firms is stepping down at the end of December, concluding a threeyear tenure marked by clashes with the stock exchanges he regulated.

Brett Redfearn will leave his job as director of the SEC's trading and markets division, the commission said Tuesday. He is leaving along with his boss, Chairman Jay Clayton, who appointed Mr. Redfearn to the role in October 2017.

Together, Messrs. Clayton and Redfearn sought to reshape the plumbing of the U.S. stock market, particularly in the area of stock-market data.

Many brokers and traders complain that fees for essential data on stock prices, quotes and trading activity are excessive and that big exchange operators like the New York Stock Exchange and Nasdaq Inc. have too much power to set them.

NYSE, owned by Intercontinental Exchange Inc., and Nasdaq reject such criticism and say their fees are fair and reasonable. They pushed back against many of Mr. Redfearn's market-data changes, which threatened a key business for them, and they repeatedly sued the SEC to block initiatives that he supported, winning some court victories.

Last week, the SEC's commissioners voted unanimously to overhaul the public-data feeds that supply many investors with stock-price information, issuing a nearly 900-page regulation that Mr. Redfearn played a role in crafting.

"This is something that hasn't been updated and modernized since the 1970s," he said in an interview. "It is extremely important for leveling the playing field and ensuring fairness in the market."

Mr. Redfearn said he didn't have any immediate plans to start a new job after leaving

He is the latest of a wave of top SEC staffers who have recently left or announced plans to depart at the end of the year, including the agency's enforcement official, Stephanie Avakian. Such turnover is common at the SEC during changes of presidential administrations.

Unlike many previous directors of his division, Mr. Redfearn isn't a lawyer and instead had spent much of his career on Wall Street trading

Before his appointment to the SEC, he was a top electronic-trading executive at JP-Morgan Chase & Co. whose job included publicly advocating for the bank's views on the structure of the U.S. equities

That background proved useful during the coronavirusfueled volatility of March and April when Mr. Redfearn was frequently on the phone with exchange executives and officials at other government agencies to ensure that markets were running smoothly.

Mr. Redfearn was also involved in the SEC's effort to develop a regulatory framework for digital currencies.

Ruling Hits Chuck E. Cheese

By Peg Brickley

Children's arcade and pizza chain Chuck E. Cheese failed to persuade a bankruptcy judge to delay or cut rent obligations due to Covid-19-related restrictions on the busi-

The ruling this week from Judge Marvin Isgur of the U.S. Bankruptcy Court in Houston sounds a warning note for retailers and restaurants trying to survive a pandemic-driven drop in revenue, while comforting commercial landlords trying to do the same.

The question of rent cuts and delays for businesses hurt by Covid-19 has come up in other bankruptcy cases, including that of Ruby Tuesday Inc. which, like Chuck E. Cheese, resorted to chapter 11 protection as government regulations and fear of infection kept customers away.

Judge Isgur said Ŭ.S. bankruptcy laws limit how much help he can extend to Chuck E. Cheese when it comes to the rent obligations owed on six restaurants in North Carolina, Washington and California.

According to the ruling, varying degrees of health restrictions constricted the business, which is built around



A shuttered restaurant in New York. The company had asked a judge to delay or cut rent obligations.

giving children a place to play as part of family dining. However, the bankruptcy code allows the company to delay rent payments for only 60 days, and nothing in state law or the terms of the leases changes that, according to the ruling. Leases are governed by their own provisions and by the laws of the states where the restaurant is located.

Chuck E. Cheese originally asked the judge for delays or rent cuts at 141 outlets across 12 states, citing lease provi-

sions covering events outside of a business's control that can prevent them from meeting their contractual obligations. The company came to agreements with many of its landlords. But those for six locations in three states challenged Chuck E. Cheese and its parent, CEC Entertainment Corp., which has proposed a restructuring that would put senior lenders in control.

Throughout the coronavirus lockdowns, many tenants unable to pay rent have said that the Covid-19 pandemic is an event beyond their control that should excuse the missed payments. Most property owners have taken the position that tenants still have to pay rent even if the premises aren't supporting normal business activity.

In response to the disputes, landlords are including pandemic-related language in leases as they are renewed or amended, allowing tenants to defer part of their rent if more shutdowns are ordered

U.K. Watchdog Sets Fines for Barclays Units

A top U.K. regulator has levied a fine of £26 million, the equivalent of \$34.7 million, on Barclays PLC-related units over the treatment of customers that fell into arrears or went through a difficult financial sit-

The Financial Conduct Authority said Tuesday that between April 2014 and December

ates failed to help some customers understand the reason behind missed payments and provided solutions that were unaffordable or unsustainable.

The FCA requires consumercredit firms to take measures to understand customers' financial difficulties and to show forbearance to customers who have missed payments or are struggling financially.

The regulator cited Barclays Bank UK PLC, Barclays Bank PLC and Clydesdale Financial Services Ltd., a wholly owned subsidiary of Barclays Bank, for the violations.

"Consumers should feel reassured that their lender will work with them to help resolve financial difficulties, whereas Barclays's poor treatment of its customers risked these difficulties making

worse," Mark Steward, the FCA's director of enforcement and market oversight, said. Barclays didn't dispute the FCA's findings, according to the

Barclays said that it has since implemented changes to its systems, processes and training. The bank also has repaid more than £273 million to at least 1.53 million customer accounts since 2017.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds,

latest session								
Tuesday, December 15, 2020								
ETF	Symbol	Closing Price	Chg (%)	Y'				
ARKInnovationETF	ARKK	124.30	0.04	14				
CommSvsSPDR	XLC	67.28	0.82	2				
CnsmrDiscSelSector	XLY	158.64	1.35	2				
CnsStapleSelSector	XLP	67.22	0.24					
EnSelectSectorSPDR	XLE	40.46	1.97	-3				
FinSelSectorSPDR	XLF	28.61	1.71	-				
HealthCareSelSect	XLV	112.04	1.08	1				
IndSelSectorSPDR	XLI	88.84	1.39					
InvscQQQI	QQQ	307.29	1.07	4				
InvscS&P500EW	RSP	126.89	1.66					
iSh3-7YTreasuryBd	IEI	132.96	-0.04					
iShCoreDivGrowth	DGRO	44.28	1.30					

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VangdFTSEAWxUS

VangdFTSE EM

VangdGrowth

VangdHlthCr

VanadHiDiv

VangdLC

VangdMC

VangdMBS

VangdRealEst

VangdST Bond

VangdSTCpBd

VangdTotalBd

VangdTotIntlBd

VangdTotIntlStk

VangdTotalStk

VangdTotlWrld

VangdS&P500ETF

VangdIntermBd

VangdIntrCorpBd

VEA 47.03 1.10 6.7

VW0 VGK 49.51 60.09

VEU VUG VHT

VYM 91.78 1.36 -2.1

VNQ 85.74

VCSH 83.11 0.07 2.6

VB BND 193.07

BNDX 58.66 0.02

VXUS 59.95 1.08

58.08 1.08

248.26

221.76

93.37 96.92

173.60

205.74 54.08 VO VMBS

339.64 82.89

192.24 91.74

VTV 118.61

2.5

1.22 36.3 1.00 15.7

1.29 17.4

1.51 15.5

1.97 16.6

1.29 13.3

-7.6

5.2 3.7

-0.01

2.05

BANKRATE.COM® MMA, Savings and CDs

Average Yields of Major Banks							Tuesday, December 15, 202			
Туре	MMA	1-MO	2-MO	3-МО	6-MO	1-YR	2-YR	2.5YR	5YF	
National average										
Savings	0.09	0.06	0.06	0.09	0.12	0.17	0.20	0.17	0.31	

Jumbos	0.17	0.07	0.07	0.09	0.13	0.19	0.22	0.18	0.2
Weekly change									
Savings	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01	-0.01	-0.0
Jumbos	0.00	0.00	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.0

Consumer Savings Rates

Below are the top federally insured offers available nationwide according to Bankrate.com's weekly survey of highest yields. For latest offers and reviews of these financial institutions, please

visit bankrate.com/banking	/reviews. Ir	nformatio	n is believed to be reliable, but	not guarar	nteed.
High yield savin	gs				
Bank		Yield	Bank		Yield
Phone number	Minimum	(%)	Phone number	Minimum	(%)
Money market and sa	vings ac	count	Six-month CD		
Vio Bank (4) (888) 999-9170	\$100	0.66	TAB Bank (5) (800) 355-3063	\$1,000	0.50
TAB Bank (5) (800) 355-3063	\$0	0.65	Presidential Bank, FSB (3) (800) 799-1424	\$1,000	0.50
CFG Community Bank (5) (888) 205-8388	\$1,000	0.62	Live Oak Bank (5) (866) 518-0286	\$2,500	0.50
One-month CD			One-year CD		
Lone Star Bank (5) (713) 358-9400	\$1,000	0.20	Connexus Credit Union (5) (800) 845-5025	\$5,000	0.71
State Bank of India California (5) (877) 707-1995	\$1,000	0.15	CFG Community Bank (5) (888) 205-8388	\$500	0.67
Washington Savings Bank (4) (978) 458-7999	\$500	0.10	BrioDirect (3) (877) 369-2746	\$500	0.65
Two-month CD			Two-year CD		
Lone Star Bank (5) (713) 358-9400	\$1,000	0.20	Connexus Credit Union (5) (800) 845-5025	\$5,000	0.81
State Bank of India California (5) (877) 707-1995	\$1,000	0.15	Live Oak Bank (5) (866) 518-0286	\$2,500	0.80
VirtualBank (4) (877) 998-2265	\$10,000	0.15	Goldwater Bank (3) (480) 281-8200	\$5,000	0.80
Three-month CD			Five-year CD		
BrioDirect (3) (877) 369-2746	\$500	0.50	Connexus Credit Union (5) (800) 845-5025	\$5,000	1.01
Goldwater Bank (3) (480) 281-8200	\$5,000	0.35	First Internet Bank of Indiana (4) (888) 873-3424	\$1,000	0.96
Lone Star Bank (5) (713) 358-9400	\$1,000	0.25	Goldwater Bank (3) (480) 281-8200	\$5,000	0.95

(713) 358-9400	ψ1/000	0122	(480) 281-8200
High yield jumbo)S - Minimu	m is \$100	0,000
Money market and sa	vings acco	ount	Six-month CD
CFG Community Bank (5) (888) 205-8388		0.72	Live Oak Bank (5) (866) 518-0286
Luana Savings Bank (5) (800) 666-2012		0.60	Merrick Bank (5) (866) 638-6851
BankDirect (4) (877) 839-2737		0.60	TAB Bank (5) (800) 355-3063
One-month CD			One-year CD
Lone Star Bank (5) (713) 358-9400		0.20	Connexus Credit Union (5) (800) 845-5025
State Bank of India California (5) (877) 707-1995		0.15	CFG Community Bank (5) (888) 205-8388
VirtualBank (4) (877) 998-2265		0.10	Goldwater Bank (3) (480) 281-8200
Two-month CD			Two-year CD
Lone Star Bank (5) (713) 358-9400		0.20	Connexus Credit Union (5) (800) 845-5025
State Bank of India California (5) (877) 707-1995		0.15	Live Oak Bank (5) (866) 518-0286
VirtualBank (4) (877) 998-2265		0.15	Goldwater Bank (3) (480) 281-8200
Three-month CD			Five-year CD
BrioDirect (3) (877) 369-2746		0.50	Connexus Credit Union (5) (800) 845-5025
Goldwater Bank (3) (480) 281-8200		0.35	First Internet Bank of Indiana (4) (888) 873-3424

(480) 281-8200 Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six(6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., Palm Beach Gardens, FL 33410 Internet: www.bankrate.com

Goldwater Bank (3)

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Please take notice that in the offices of Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018 (subject to the COVID-19 pandemic and applicable law, including any applicable Executive Orders of the Governor of the State of New York, relating thereto), with simultaneous video conference access accessible at https://goodwinlaw/j.php?WIID=ma9151a8b35/2870cd376bb7e3be7 Z7d06, JONES LANG LASALLE AMERICAS, INC. (together with its subsidiaries and affiliates, "JLL"), on behalf of MREF REIT Lender 9 LLC, a Delaware limited liability company (together with its successors and assigns, "Secured Party"), will offer for sale the following interests as permitted pursuant to the terms of that certain Amended and Restated Mezzanine Pledge and Security Agreement dated as of June 10, 2019, by Evergreen Gardens Mezz LLC, a New York limited liability company ("Mezzanine Borrower"), in favor of Secured Party (as amended, restated, replaced, supplemented or otherwise modified

York limited liability company ("Mezzanine Borrower"), in favor of Secured Party (as amended, restated, replaced, supplemented or otherwise modified from time to time (the "Pledge Agreement"), and Article 9 of the Uniform Commercial Code of the State of New York.

Secured Party is offering for sale 100% of the limited liability company membership interests in Evergreen Gardens ILLC, a Delaware limited liability company ("Owner"), owned by Mezzanine Borrower (the "Interests"), which represent 100% of the limited liability company membership interests in Owner, which owns the property located at 123 Melrose Street, Brooklyn, New York 11206 (the "Property"). The sale is being made in connection with the foreclosure on a pledge of the Interests to Secured Party by Mezzanine Borrower under the Pledge Agreement, pursuant to which Mezzanine rrower under the Pledge Agreement, pursuant to which Mezzanine rrower granted to Secured Party a first priority lien on the Interests collateral for the loan (the "Mezzanine Loan") from Secured Party to ezzanine Borrower. The Mezzanine Loan was made pursuant to that Mezzanine Borrower. mezzanine Borrower. The Mezzanine Loan was made pursuant to mice certain Mezzanine Loan and Security Agreement dated as of February 12, 2019, by and between Secured Party and Mezzanine Borrower, as amended by that certain First Amendment of Mezzanine Loan Agreement dated as of June 10, 2019 (as further amended, modified, restated or supplemented from time to time, the "Mezzanine Loan Agreement").

The Mezzanine Loan is subordinate to that certain loan (the "Mortgage").

The Mezzanine Loan is subordinate to that certain loan (the "Mortgage Loan") made pursuant to that certain Loan and Security Agreement dated as of June 10, 2019, by and between Owner and JPMorgan Chase Bank, N.A. (as amended, modified, restated or supplemented from time to time, the "Mortgage Loan Agreement"), and other obligations and liabilities of Owner or that are otherwise affecting the Property. The Interests are also subject to the governing documents of Owner (including its operating agreement). Based on information provided to Secured Party (but without representation or warranty of any kind by Secured Party with respect to the accuracy thereof) JPMorgan Chase Bank, N.A. is the current holder of the Mortgage Loan (together with its successors and assigns, "Mortgage Lender").

The Sale shall take place as follows, subject to the COVID-19 pandemic and applicable law, including any applicable Executive Orders of the Governor of the State of New York, relating thereto:

Governor of the State of New York, relating thereto.
February 5, 2021
12:00 PM (New York Time)
Goodwin Procter LLP
The New York Times Building, 620 Eighth Avenue, New York, New York 10018
Attention: Diana M. Brummer, Esq., Telephone: (212) 813-8861

via similariareus viee Cornierice https://goodwinlaw.webex.com/goodwinlaw/j.php?MTID=ma9f15a8b3f2 870cd376bb7e3be727d06 Attention: Diana M. Brummer, Esq., Telephone: (212) 813-8861

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Sale Notice

The public sale shall be conducted by Racebrook Marketing Concepts, LLC, by Jonathan Cuticelli, Auctioneer, NYC DCA License No. 1387302-DCA, or other such licensed auctioneer(s) as may be selected by the Secured Party, without further publication or notice.

The Mezzanine Loan matured as the result of the acceleration of the Mezzanine Loan by Secured Party on November 2, 2020 and Mezzanine Lender sent a notice of such acceleration to Mezzanine Borrower on November 2, 2020.

The sale of the Interests will be subject to all applicable third party consents and regulatory approvals, if any. Without limitation to the foregoing, please take notice that there are specific requirements for any potential successful bidder in connection with obtaining information and bidding on the Interests, including but not limited to, (1) that each bidder must satisfy the requirements set forth in that certain Terms of Sale bidding on the Interests, including but not limited to, (1) that each bidder must satisfy the requirements set forth in that certain Terms of Sale attached hereto as **Exhibit B** (the "**Terms of Sale**"), (2) that each bidder must pay all amounts due pursuant to the Mortgage Loan Agreement to Mortgage Loan Agreement to applicable to the sale of the Interests under the Intercreditor Agreement dated as of June 10, 2019, by and among Secured Party and Mortgage Lender (the "**Intercreditor**"), including that such bidder is a "Qualified Transferee" (as defined in the Intercreditor Agreement) or has obtained the consent of Mortgage Lender.

The Interests are being offered as a single lot, "as-is, where-is", with ne express or implied warranties, representations, statements of conditions

express or implied warranties, representations, statements or condition of any kind made by Secured Party or any person acting for or on behalf of Secured Party, without any recourse whatsoever to Secured Party or an other person acting for or on behalf of Secured Party and each bidder mus

other person acting for or on behalf of Secured Party and each bidder must make its own inquiry regarding the Interests. The winning bidder shall be responsible for the payment of all transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Interests. Secured Party reserves the right to credit bid, set a minimum reserve price, reject all bids (including without limitation any bid that it deems to have been made by a bidder that is unable to satisfy the requirements imposed by Secured Party upon prospective bidders in connection with the sale or to whom in Secured Party's sole judgment a sale may not lawfully be made) and terminate or adjourn the sale to another time, without further notice. Secured Party further reserves the right to restrict prospective bidders to those who will represent that they are purchasing the Interests for their own account for investment not with a view to the distribution or resale of such Interests, to verify that each certificate for the Interests to be sold bears a legend substantially to the effect that such interests have not been registered

such Interests, to verify that each certificate for the Interests to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be disposed of in violation of the provisions of the Securities Act and to impose such other limitations or conditions in connection with the sale of the Interests as the Secured Party deems necessary or advisable in order to comply with the Securities Act, any other applicable law or any other agreements to which Mezzanine Lender is a party.

All bids (other than credit bids of the Secured Party) must be for cash, and the successful bidder must be prepared to deliver immediately available good funds within five (5) business days after the sale and otherwise comply with the bidding requirements. Further information concerning the Interests and the requirements for obtaining information and bidding on the interests can be found in the rems of Sale (including by access through: www.denizenphaselluccforeclosure.com) ww.denizenphaselluccforeclosure.com)

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Vale, partners, and clients. Working together to reduce carbon emissions.

As one of the largest companies in the global mining market, Vale acknowledges its responsibility to promote a more sustainable economy for society and the planet. We also understand that this process is only possible through the engagement of our partners, clients, and suppliers.

We are committed to complying with the Paris Agreement to limit global warming to below two degrees Celsius. In 2019 we set the goal to become carbon neutral by 2050 – cutting by 33% our direct and indirect absolute emissions by 2030 (scope 1 and 2).

Now we are investing more than US\$ 2 billion in technological and innovative initiatives for our operations, such as the PowerShift program, which aims to convert Vale's energy matrix into one based on renewable sources. Vale is also committed to use only electricity generated by renewable sources by 2030.

Today, we help protect over one million hectares of woodlands worldwide, 800 thousand of which are in the Amazon (the equivalent to ten times the size of NewYork City). In addition, we have set the goal to restore and protect an additional 500 thousand hectares of forest by 2030.

Moreover, we have just announced an expansion of our carbon neutral strategy: we will offer our clients and suppliers incentives and solutions to help cut their carbon emissions, since our target is to reduce absolute scope 3 emissions by 15% until 2035.

Vale, clients, and suppliers: working together for a greener future

Amazon Rainforest – National Forest of Carajás protected by Vale



MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

30199.31 \(\) 337.76, or 1.13% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 29.73 21.04 P/E estimate * 18.79 24.71 Dividend vield 2.00 2.25 All-time high 30218.26, 12/04/20

26200

25000

Sept.



Bars measure the point change from session's open <u>......</u>

Nov. Sept. Oct. Dec.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdag-100 Index

S&P 500 Index

3694.62 47.13, or 1.29% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 41.52 P/E estimate * 25.85 Dividend vield 1.65

24.85 19.27 1.84 All-time high 3702.25, 12/08/20

Nasdaq Composite Index

12595.06 155.02, or 1.25% High, low, open and close for each trading day of the past three months. Trailing P/E ratio * 38.21 26.42 P/E estimate *† 31.92 23.39 Dividend vield *1 0.74 0.99 All-time high: 12595.06, 12/15/20



10000 _____ Oct.

Maior U.S. Stock-Market Indexes

-			Latest				52-Week —			chg —
	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	3-yr. anı
Dow Jones										
Industrial Average	30243.26	29894.95	30199.31	337.76	1.13	30218.26	18591.93	6.8	5.8	7.0
Transportation Avg	12531.21	12330.96	12486.18	103.21	0.83	12803.02	6703.63	14.8	14.5	6.3
Utility Average	873.43	854.11	871.54	18.73	2.20	960.89	610.89	0.4	-0.9	5.0
Total Stock Market	38603.56	38226.18	38602.35	516.57	1.36	38602.35	22462.76	18.2	16.9	11.8
Barron's 400	840.11	829.41	840.11	15.45	1.87	840.11	455.11	15.4	14.7	5.9
Nasdaq Stock Marke	et									
Nasdaq Composite	12596.13	12465.42	12595.06	155.02	1.25	12595.06	6860.67	42.7	40.4	22.0
Nasdaq 100	12596.84	12467.57	12595.92	133.71	1.07	12635.72	6994.29	46.9	44.2	24.9
S&P										
500 Index	3695.29	3659.62	3694.62	47.13	1.29	3702.25	2237.40	15.7	14.4	11.4
MidCap 400	2287.10	2246.86	2287.04	53.03	2.37	2287.04	1218.55	11.8	10.9	6.6
SmallCap 600	1112.00	1089.28	1111.67	28.62	2.64	1111.67	595.67	9.4	8.9	6.0
Other Indexes										
Russell 2000	1960.81	1915.90	1959.76	45.91	2.40	1959.76	991.16	18.2	17.5	8.6
NYSE Composite	14410.15	14271.36	14402.32	187.39	1.32	14417.33	8777.38	4.4	3.5	4.3
Value Line	566.01	555.52	565.95	10.43	1.88	565.95	305.71	3.5	2.5	0.5
NYSE Arca Biotech	5793.45	5716.32	5793.20	61.35	1.07	6142.96	3855.67	12.6	14.3	11.6
NYSE Arca Pharma	679.04	673.25	678.78	5.28	0.78	691.70	494.36	5.0	3.8	7.4
KBW Bank	94.65	92.72	94.43	1.71	1.84	114.12	56.19	-17.1	-16.7	-3.9
PHLX [§] Gold/Silver	140.61	138.07	140.20	4.85	3,58		70.12	42.3	31.1	20.4
PHLX [§] Oil Service	46.66	44.96	46.46	1.58	3.52		21.47	-38.3	-40.7	-29.6
PHLX [§] Semiconductor	2779.81	2753.21	2774.79	38.54	1.41	2816.27	1286.84	52.3	50.0	30.4

-1.83 -7.40

Late Trading

Oct.

65-day moving average

 $Most-active \ and \ biggest \ movers \ among \ NYSE, NYSE \ Arca, NYSE \ Amer.$ and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

3000

Most-active issues in late trading

Dec.

		Volume			After Hour	s ——	
Company	Symbol	(000)	Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	10,657.7	369.66	0.07	0.02	369.79	368.44
First Horizon	FHN	9,828.5	12.90	unch.	unch.	12.90	12.87
Tilray	TLRY	7,653.6	9.36	1.49	18.93	9.60	7.60
Apple	AAPL	6,726.8	127.63	-0.25	-0.20	128.00	122.78
iShares Core S&P 500 ETF	IVV	4,443.7	369.26	-0.05	-0.01	369.45	368.96
Boston Scientific	BSX	4,419.7	34.73	0.06	0.17	34.73	34.48
Mosaic	MOS	4,067.0	22.95	-0.16	-0.69	23.13	22.95
Sio Gene Therapies	SIOX	3,953.2	4.02	1.18	41.55	4.40	2.84
Percentage gaiı	ners						
Sio Gene Therapies	SIOX	3,953.2	4.02	1.18	41.55	4.40	2.84
Tilray	TLRY	7,653.6	9.36	1.49	18.93	9.60	7.60
Aphria	APHA	2,721.9	9.24	1.12	13.79	9.98	8.08
Triterras CI A	TRIT	61.3	14.00	1.45	11.55	14.00	12.51
American Outdoor Brands	S AOUT	264.0	17.55	1.71	10.80	17.83	15.70
And losers							
Concord Medical Svs ADF	CCM	1,182.9	4.49	-0.82	-15.44	6.23	4.33
iQIYI ADR	IQ	144.6	20.30	-2.01	-9.01	22.32	19.56
Penumbra	PEN	374.3	175.00	-13.82	-7.32	188.82	149.99
DISH Network CI A	DISH	232.1	33.84	-1.84	-5.16	36.22	33.71
Moderna	MRNA	574.5	143.56	-3.66	-2.49	147.61	143.54

Trading Diary

Volume, Advancers, Decliners NYSE NYSE Amer.

Total volume*	921,625,838	18,453,992
Adv. volume*	764,698,749	12,443,786
Decl. volume*	151,191,145	5,938,932
Issues traded	3,238	280
Advances	2,365	180
Declines	783	89
Unchanged	90	11
New highs	156	9
New lows	5	2
Closing Arms†	0.76	0.86
Block trades*	4,980	159
	Nasdaq	NYSE Arca
Total volume*4	,375,123,220	193,704,903
Adv. volume*2	,964,842,711	159,853,987
Decl. volume*1	,367,787,173	33,035,286
Issues traded	3,821	1,433
Advances	2,612	1,234

1.08 1.78 **Closing Arms** Block trades 22,668 1,053 * Primary market NYSE, NYSE American NYSE Arca only. † (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1

indicates selling pressure.

1,116

93

292

19

170

29

225

19

Declines

Unchanged

New highs **New lows**

International Stock Indexes

24.07

22.73

22.89

Cboe Volatility

				— Latest ———	YTD
Region/Countr	y Index	Close	Net chg	% chg	% chg
World	MSCIACWI	633.89	5.05	0.80	12.1
	MSCI ACWI ex-USA	319.13	0.55	0.17	5.8
	MSCI World	2643.74	24.31	0.93	12.1
	MSCI Emerging Markets	1250.21	-0.24	-0.02	12.2
Americas	MSCI AC Americas	1444.72	17.95	1.26	15.7
Canada	S&P/TSX Comp	17506.48	119.08	0.68	2.6
Latin Amer.	MSCI EM Latin America	2416.24	29.99	1.26	-17.2
Brazil	Sao Paulo Bovespa	116148.63	1537.51	1.34	0.4
Chile	Santiago IPSA	2780.33	6.04	0.22	-16.7
Mexico	S&P/BMV IPC	43543.35	-26.49	-0.06	0.01
EMEA	Stoxx Europe 600	392.84	0.99	0.25	-5.5
Eurozone	Euro Stoxx	392.77	1.93	0.49	-2.8
Belgium	Bel-20	3701.71	28.41	0.77	-6.4
Denmark	OMX Copenhagen 20	1405.04	-5.54	-0.39	23.7
France	CAC 40	5530.31	2.47	0.04	-7.5
Germany	DAX	13362.87	139.71	1.06	0.9
Israel	Tel Aviv	1479.35	-13.07	-0.88	-12.1
Italy	FTSE MIB	21935.05	175.32	0.81	-6.7
Netherlands	AEX	617.34	4.46	0.73	2.1
Russia	RTS Index	1390.46	-7.66	-0.55	-10.2
South Africa	FTSE/JSE All-Share	59478.26	-30.54	-0.05	4.2
Spain	IBEX 35	8152.40	11.60	0.14	-14.6
Sweden	OMX Stockholm	759.76	0.03	0.004	11.6
Switzerland	Swiss Market	10341.18	-31.85	-0.31	-2.6
Turkey	BIST 100	1395.40	6.85	0.49	21.9
U.K.	FTSE 100	6513.32	-18.51	-0.28	-13.6
U.K.	FTSE 250	19852.39	88.37	0.45	-9.3
Asia-Pacific	MSCI AC Asia Pacific	194.10	-0.43	-0.22	13.7
Australia	S&P/ASX 200	6631.30	-28.95	-0.43	-0.8
China	Shanghai Composite	3367.23	-1.89	-0.06	10.4
Hong Kong	Hang Seng	26207.29	-182.23	-0.69	-7.0
India	S&P BSE Sensex	46263.17	9.71	0.02	12.1
Japan	Nikkei Stock Avg	26687.84	-44.60	-0.17	12.8
Singapore	Straits Times	2856.72	-1.42	-0.05	-11.4
South Korea	Kospi	2756.82	-5.38	-0.19	25.4
Taiwan	TAIEX	14068.52	-142.53	-1.00	17.3
Thailand	SET	1477.21	1.08	0.07	-6.5

Percentage Gainers...

Sources: FactSet; Dow Jones Market Data

12.10 **86.2**

66.1 34.4

82.69

		— La	itest Sess	sion —		- 52-We€	ek ——
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Wunong Net Technology	WNW	12.05	7.05	141.00	13.14	5.00	
Prevail Therapeutics	PRVL	22.75	10.25	82.00	23.08	9.02	43.4
Oriental Culture Holding	OCG	6.00	2.00	50.00	8.37	4.00	
BioCardia	BCDA	6.70	2.22	49.55	8.60	1.91	78.7
MicroVision	MVIS	4.21	1.08	34.50	4.21	0.15	564.4
Elys Game Technology	ELYS	4.00	0.88	28.21	4.47	1.09	-4.8
Marathon Patent Group	MARA	7.07	1.53	27.62	7.16	0.35	617. 8
Arvinas	ARVN	74.25	15.87	27.18	75.36	19.68	77.9
Sensus Healthcare	SRTS	4.50	0.92	25.70	4.99	1.76	18.4
Solid Biosciences	SLDB	5.91	1.12	23.38	6.85	1.93	23.1
Bridgetown Holdings CI A	BTWN	13.58	2.50	22.56	25.84	10.50	
Polar Power	POLA	4.68	0.79	20.31	6.64	0.95	98.3
OncoCyte	OCX	2.53	0.41	19.34	3.51	1.15	29.1
VivoPower International	VVPR	7.65	1.23	19.16	24.33	0.59	553.8
Vuzix	VUZI	5.74	0.91	18.84	5.86	0.86	174.6
Most Active St	ncks						

Most Active Stocks

		Volume	% cha from =	- atact S	occion-	 52-\\\/	eek
Company	Symbol	(000)	%chg from = 65-day avg	Close	% chg	High	Low
Apple	AAPL	156,697	25.8	127.88	5.01	137.98	53.15
Sundial Growers	SNDL	156,280	-20.3	0.50	-2.44	3.88	0.14
NIO ADR	NIO	131,519	-20.2	43.50	6.15	57.20	2.11
BioCardia	BCDA	102,364	6773.9	6.70	49.55	8.60	1.91
Apartment Inv Mgmnt	AIV	97,460	5996.6	5.04	16.13	68.94	4.88
Anchiano Therapeutics ADR	ANCN	92,385	19922.8	2.88	87.01	5.49	0.51
American Airlines Group	AAL	88,403	18.9	17.01	1.86	30.78	8.25
General Electric	GE	86,530	-23.6	11.11	2.59	13.26	5.48
Genius Brands Intl	GNUS	71,578	143.2	1.67	-8.74	11.73	0.05
Ford Motor	F	69,520	6.4	9.15	2.69	9.58	3.96
* Volumes of 100,000 shares or more are rounded to the pearest thousand							

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Forex Race

Yen, euro vs. dollar; dollar vs.

Percentage Losers

		— Latest Session —		ion —	—— 52-Wee		ek
Company	Symbol	Close	Net chg		High	Low	% chg
CooTek (Cayman) ADR	CTK	4.34	-1.99	-31.44	7.45	4.12	-13.2
China Liberal Educ Hldgs	CLEU	4.23	-1.72	-28.91	10.46	3.40	
MIND Technology	MIND	1.77	-0.70	-28.34	3.33	0.70	-32.7
Mirum Pharmaceuticals	MIRM	18.54	-5.46	-22.75	28.31	9.14	12.4
Precigen	PGEN	7.17	-2.06	-22.32	9.50	1.26	16. 8
Loop Industries	LOOP	7.24	-2.08	-22.32	13.96	5.70	-34.9
Mesoblast ADR	MESO	13.57	-3.32	-19.66	21.28	3.12	82.9
Luminar Technologies	LAZR	22.87	-4.89	-17.62	47.80	9.45	124.2
Cellectis ADR	CLLS	25.86	-5.35	-17.14	32.30	7.32	43.4
Meten EdtechX Educ Group	METX	1.87	-0.32	-14.61	23.75	1.85	
Yalla Group ADR	YALA	16.15	-2.52	-13.50	23.18	6.26	
Tarsus Pharmaceuticals	TARS	36.00	-5.53	-13.32	43.75	15.32	
Harvest Capital Credit	HCAP	5.59	-0.85	-13.20	9.19	2.66	-38.6
Dada Nexus ADR	DADA	37.02	-5.58	-13.10	61.27	14.60	
Monaker Group	MKGI	2.66	-0.37	-12.21	4.35	0.61	23.7

Volume Movers Ranked by change from 65-day average*

Ranked by change from 65 day average							
Company	Symbol	Volume (000)	% chg from 65-day avg	Latest S Close	Session % chg	52-W High	eekLow
Experience Invt CI A	EXPC	11,701	21981	10.39	1.56	11.65	9.28
Thunder Bridge II Cl A	THBR	10,544	8947	10.69	2.59	11.50	9.15
Prevail Therapeutics	PRVL	10,772	6639	22.75	82.00	23.08	9.02
NextGen Acquisition CI A	NGAC	405	5808	9.88	0.30	16.00	9.70
CooTek (Cayman) ADR	CTK	929	5303	4.34	-31.44	7.45	4.12
China Liberal Educ Hldgs	CLEU	1,504	4094	4.23	-28.91	10.46	3.40
GraniteSh Bloom Comm	COMB	1,094	3904	22.69	0.70	24.68	17.14
Mirum Pharmaceuticals	MIRM	2,317	3454	18.54	-22.75	28.31	9.14
Invsc S&P SC Info Tech	PSCT	255	2848	118.50	1.77	118.60	50.00
JPM BetaBld US MC	BBMC	826	2565	78.12	1.72	78.12	48.58

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS

3.19%

Consumer Rates and Returns to Investor Selected rates

U.S. consumer rates A consumer rate against its

Sources: FactSet; Dow Jones Market Data

benchmark over the past ye	ear
5-year adjustable-rate mortgage (ARM)	4.00%
and against	3.00
	2.00
5-year Treasury ▼ note yield	1.00
J F M A M J J A S O N D	10.00
2020	-Yield/Rate

Five-year ARM, Rate Bankrate.com avg†: Hanscom Federal Credit Union Hanscom AFB, MA Citadel Federal Credit Union Exton, PA

2.50% 800-656-4328 2.63% 800-666-0191 Star One Credit Union 2.63% Sunnyvale, CA 408-742-2801 Associated Bank, NA 2.75% 800-682-4989 Rockford, IL

Sources: FactSet; Dow Jones Market Data; Bankrate.com

J F M A M J J A S O N	D		R Financ Wayne, I	ial Bank	765.6	2.88 % 22-4185
2020		FOIL	vvayne, i	IN	705-0	122-410)
Interestrate		late (%) -) Week ago		-Week Range) 2 4 6	(%) — 8 High	3-yr chg (pct pts)
Federal-funds rate target	0.00-0.25	0.00-0.25	0.00		1.50	-1.25
Prime rate*	3.25	3.25	3.25	•	4.75	-1.25
Libor, 3-month	0.23	0.23	0.20		1.96	-1.38
Money market, annual yield	0.20	0.20	0.19		0.58	-0.14
Five-year CD, annual yield	0.58	0.59	0.58	•	1.41	-0.91
30-year mortgage, fixed	2.86	2.95	2.86	•	4.22	-1.02
15-year mortgage, fixed [†]	2.41	2.37	2.37	•	3.57	-0.89
Jumbo mortgages, \$510,400-plus	2.87	2.94	2.87	•	4.36	-1.39
Five-year adj mortgage (ARM)	3.19	3.22	2.85	•	4.61	-0.51
New-car loan, 48-month	4.02	4.04	4.02	•	4.50	0.70
Bankrate.com rates based on survey of ov	/er 4,800 on	line banks. 🤻	Base rate	posted by 70% o	f the natior	's largest
banks.† Excludes closing costs.		Sources: F	actSet: Do	w Jones Marke	t Data: Banl	krate.com

Treasury yield curve

Yield to maturity of current bills,



Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield	d (%) — Week ago	— 52-W High	/eek — Low	Total Re 52-wk	turn (%) 3-yr
U.S. Treasury, Barclays	2455.660	0.590	0.590	1.860	0.400	7.419	5.071
U.S. Treasury Long, Barclay	s 4704.480	1.530	1.520	2.340	0.980	14.772	9.437
Aggregate, Barclays	2283.680	1.170	1.180	2.370	1.020	6.979	5.184
Fixed-Rate MBS, Barclays	2227.070	1.300	1.330	2.690	0.930	3.825	3.647
High Yield 100, ICE BofA	3304.290	3.840	3.728	10.740	3.589	3.826	4.975
Muni Master, ICE BofA	594.957	0.880	0.916	3.441	0.838	5.138	4.453
EMBI Global, J.P. Morgan	926.478	4.398	4.452	7.480	4.398	5.411	4.697

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Barclays; ICE Data Services

CURRENCIES & COMMODITIES

Tues — YTDchg in US\$ per US\$ (%) .00004324 23127 -0.2

> .04620 21.646 -4.5 .1633 6.1233 **-8.1**

.003414 292.93 -0.8

.1147 8.7150 **-0.7** .2736 3.6554 -3.6

.01366 73.212 18.0

.1193 8.3816 -10.5

l.1289 .8858 **-8.4** .1276 7.8350 **31.7** 1.1289

.0360 27.7500 17.2

.3072 3.2547 **-5.8**

.2665 3.7517 0.01 .0672 14.8834 6.3

Close Net Chg % Chg YTD%Chg 85.49 -0.31-0.36 **-4.54**

.7426 **-1.5**

.3769 -0.04 .0636 15.7154 **-2.1**

.3052 **0.7**

.3850 -0.01

.007851 127.37

.8227 **-7.7**

1.2155

1.3466

2.6533

3.2761

2.5976

Currencies

 $U.S.-dollar\,for eign-exchange\,rates\,in\,late\,New\,York\,trading$

	5	3		
Country/currency	— Т in US\$	ues — per US\$	US\$vs, YTD chg (%)	Country/currency
Americas				Vietnam dong
Argentina peso	.0121	82.4702	37.7	Europe
Brazil real	.1967	5.0846	26.5	Czech Rep. koruna
Canada dollar	.7874	1.2700	-2.2	Denmark krone
Chile peso	.001358	736.20	-0.4	Euro area euro
Colombiapeso	.000292	3419.70	4.2	Hungary forint
Ecuador US dollar	1	1	unch	Iceland krona
Mexico peso	.0502	19.9105	5.2	Norway krone
Uruguay peso	.02359	42.3900	14.1	Poland zloty
Asia-Pacific				Russia ruble
Australian dollar	.7559	1.3229	-7.2	Sweden krona
China yuan	.1529			Switzerland france
Hong Kong dollar	.1290		-0.5	Turkey lira
India rupee	.01360			Ukraine hryvnia
Indonesia rupiah	.0000708			UK pound
Japan ven	.009647			Middle East/Afr
Kazakhstan tenge	.002382			Bahrain dinar
Macau pataca	.1252		-0.4	Egypt pound
Malaysia ringgit	.2466	4.0545	-0.9	Israel shekel
New Zealand dollar			-5.0	Kuwait dinar
Pakistan rupee	.00623	160.467	3,5	Oman sul rial
Philippines peso	.0208	48.076	-5.2	Qatar rial
Singapore dollar	.7506	1.3322	-1.0	Saudi Arabia riya
South Korea won	.0009178	1089.56	-5.7	South Africa rand
Sri Lanka rupee	.0053476	187.00	3.1	
Taiwan dollar	.03555	28.129	-6.0	
Thailand baht	.03330	30.030	0.9	WSJ Dollar Index

Sources: Tullett Prebon, Dow Jones Market Data

maditias

Commodities							
	Close	Tues Net chg	day — % Chg	High	52-Week - Low	% Chg	YTD % chg
DJ Commodity	709.20	5.22	0.74	709.20	433.70	11.00	10.41
TR/CC CRB Index	163.02	0.78	0.48	187.39	106.29	-12.01	-12.25
Crude oil, \$ per barrel	47.62	0.63	1.34	63.27	-37.63	-21.86	-22.01
Natural gas, \$/MMBtu	2.682		unch.	3.354	1.482	15.65	22.52
Gold \$ pertroy oz	1852 30	23.60	1 29	2051 50	1472 60	25 61	21 90





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COMMODITIES

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	M	etal & Pe	troleum	Future	s	
		Conti	ract			Open
	Open	High hi	lo Low	Settle	Chg	interest
Copper	-High (C	MX) -25,000	lbs.; \$ per lb.			
Dec	3.5010	3.5425	3.5010	3.5380	0.0160	2,441
March'21	3.5220	3.5560	3.5000	3.5445	0.0180	161,006
Gold (C	MX) -100 ti	roy oz.;\$ per t	troy oz.			
Dec	1833.50	1846.90	1833.20	1852.30	23.60	6,291
Jan'21	1827.90	1856.10	1827.70	1853.20	23.40	2,095
Feb	1830.50	1859.30	1828.50	1855.30	23.20	399,626
April	1835.50	1863.00	1833.50	1859.40	23.30	76,920
June	1838.60	1865.20	1836.20	1862.20	23.20	32,951
Aug	1850.20	1867.20	1840.20	1864.90	23.00	12,236
			;\$ per troy o			,
Dec			, φ per croy o	2314.20	6.30	7
March'21		2369.00	2303.50	2324.00	5.10	9,119
		-50 troy oz.; \$		L>L	2.10	//11/
Dec				1038.10	23.70	22
Jan'21	1016.60	1045.60	1009.50	1039.30	23.70	40.688
		00 troy oz.; \$ j		1007.00	23.70	40,000
Dec	24.075	24.515	24.075	24.581	0.596	972
March'21	23.965	24.700	23.940	24.644	0.597	131,038
			23.940 YM) -1,000 bl			131,030
Jan	46.99	47.73	46.54	اماد., چ ووا ل	0.63	167,652
Feb	47.18	47.73	46.72	47.02	0.63	332,355
March	47.29	47.97	46.84	47.88	0.61	
April	47.29	48.01	46.95	47.95	0.59	
June	47.38	47.95	46.98	47.90	0.52	214,107
Dec	46.60	47.07	46.25	47.04	0.43	271,947
			,000 gal.; \$ p		0100	70.000
Jan	1.4581	1.4708	1.4434	1.4644	.0100	78,022
Feb	1.4599	1.4726	1.4468	1.4680	.0104	69,387
			-42,000 gal.;		0077	01.004
Jan	1.3231	1.3346	1.3089	1.3268	.0077	81,884
Feb	1.3237	1.3362	1.3115	1.3305	.0085	75,534
			иМВtu.;\$ рег			
Jan	2.669	2.700	2.596	2.682		112,845
Feb	2.667	2.691	2.596	2.680	.002	162,959
March	2.653	2.673	2.585	2.662	.002	240,322
April	2.655	2.676	2.604	2.670	.008	98,834
May	2.675	2.688	2.625	2.684	.011	61,641
Oct	2.846	2.846	2.769	2.815	.013	95,553
		Agricu	lture Fut	ures		
Corn (C	BT)- 5.000	bu.; cents pe				
March	424.00	425.25	420.50	424.75	.75	862,016
May	427.00	428.25	423.75	427.75	.50	241,309
		bu.; cents pe		721.73	.70	271,207
Vats (C	DI J -5,000	ou., cents pe	ı bu.	224.00	2 50	2 001

		Contr	act			Open					
	Open	High hilo	Low	Settle	Chg	interest					
Cattle-Live (CME)-40,000 lbs.; cents per lb.											
Dec	108.800	109.325	108.400	108.600	500	7,529					
Feb'21	112.925	113.350	112.600	112.875	225	113,775					
Hogs-L	ean (cMi	E)-40,000 lbs.;	cents per li	ο.							
Feb	65.300	66.900	65.225	66.450	.775	82,333					
April	68.550	69.800	68.400	69.575	.750	39,644					
Lumbei	(CME)-1	LO,000 bd. ft., \$	per 1,000 l	bd.ft.							
Jan	826.90	845.00 🛦		826.00	13.00	1,345					
March		736.60	708.00	712.30	-17.00	1,068					
Milk (CN	1E) -200,0	00 lbs., cents p									
Dec	15.78	15.86	15.78	15.79		4,225					
Jan'21	16.18		16.14	16.32	.22	3,654					
Cocoa (ICE-US)-1	0 metric tons;	\$ per ton.								
Dec	2,665	2,665	2,665	2,665		5					
March'21	2,604		2,534	2,541	-48	100,862					
Coffee	(ICE-US)-	37,500 lbs.; cer	nts per lb.								
Dec	124.55		124.55	123.10							
March'21			124.30	124.65	-1.50	115,641					
Sugar-\	Norld (10	CE-US)-112,00	0 lbs.; cent:	s per lb.							
March	14.15		14.09		.09						
May	13.58		13.54	13.63		219,852					
		ic (ICE-US)-11									
March	28.31		28.31	28.31	04	3,004					
Cotton		50,000 lbs.; ce									
March	74.67			75.59		129,164					
May	75.50	76.42 🔺	75.39	76.34	.83	41,046					
		CE-US) -15,000									
Jan	114.15		113.30								
March	117.40	118.25	116.30	117.25	30	6,028					
		Interest	Rate Fu	tures							
Ultra Tı	easury	Bonds (CBT) - \$100,00			6					
Dec						14,821					
	213-310					1,013,903					
Treasu	rv Bond:	S (CBT)-\$100,	000: pts 32	nds of 100	%						

	Interest Rate Futures												
Ultra Tr	easury	Bonds (c	:BT) - \$100,000); pts 32nd	ds of 100	%							
Dec				214-070	-1-18.0	14,821							
			212-090			1,013,903							
Treasui	ry Bond:	S (CBT) -\$1	.00,000; pts 32i	nds of 100)%								
Dec				171-290	-24.0	28,546							
March'21	173-200	173-310	172-270	172-290	-25.0	1,133,223							
Treasui	ry Notes	(CBT)-\$1	00,000; pts 32r	nds of 100	%								
Dec	138-155	138-185	138-085	138-095	-6.5	50,253							
March'21	138-025	138-040	137-260	137-275	-7.0	3,174,275							
5 Yr. Tro	easury l	Notes (CE	ST) -\$100,000; p	ots 32nds	of100%								
Dec				125-227	-2.2	63,132							
March'21	126-030	126-035	126-000	126-005	-2.5	3,125,821							
2 Yr. Tro	easury l	Notes (CE	3T) -\$200,000;	pts 32nds	of 100%								
D	110 151	110 153	110 151	110 151	2	25.075							

-	cusury r	40663(6	, i	φ100,000, p	JC3 JZ11U3 (JI 10070		
Dec					125-227	-2.2	63,132	
March'21	126-030	126-035		126-000	126-005	-2.5	3,125,821	
2 Yr. Tr	easury N	lotes (C	BT)-	\$200,000;	pts 32nds	of 100%		
Dec	110-151	110-153		110-151	110-151	2	25,865	
March'21	110-152	110-152		110-147	110-148	2	1,865,026	
30 Day	Federal	Funds (СВТ) -\$5,000,00	00; 100 - da	aily avg.		
Dec	99.9125	99.9125		99.9100	99.9100		115,734	
Jan'21		99.9200		99.9150			152,006	
10 Yr. D	el. Int. R	late Swa	aps	(CBT)-\$10	0,000; pts	32nds of	100%	
March					97-285	-8.5	100,222	
Eurodo	llar (CME	•)-\$1,000,0	000;	pts of 100%	6			
Jan	99.8125	99.8150	\blacktriangle	99.8050	99.8075	0050	203,570	
March	99.8250	99.8300		99.8200	99.8250	0050	1,162,352	
June	99.8350	99.8350		99.8250	99.8300	0050	903,436	
Sept	99.8300	99.8300		99.8200	99.8250	0050	817,361	

		Curre	ncy Futu	res		
Japanes	se Yen (d	CME) -¥12,50	00,000; \$ per 1	L00¥		
Jan	.9618	.9659	.9610	.9652	.0034	1,134
March		.9666			.0034	191,684
Canadia	n Dollar	(CME)-CAI	D 100,000; \$ p	er CAD		
Dec	.7836	.7855	.7830	.7852	.0015	41,979
March'21			.7834	.7881	.0039	150,880
British F	Pound (C	ME) -£62,50	00; \$ per £			
Jan	1.3332	1.3476	1.3289	1.3440	.0110	513
March	1.3341	1.3481	1.3290	1.3444	.0110	137,579
Swiss F	ranc (CM	IE)-CHF 125	,000; \$ per CH	F		
March	1.1311	1.1334	1.1293	1.1330	.0023	49,351
June	1.1355	1.1361	1.1327	1.1361	.0024	78
Australi	ian Dolla	ar (CME)-A	UD 100,000; \$	per AUD		
Jan	.7539	.7575	.7512	.7560	.0012	737
March	.7539	.7579	.7514	.7563	.0012	124,574
Mexicar	n Peso (d	CME)-MXN	500,000;\$pe	r MXN		
Jan	.04947	.05005	.04924	.05010	.00080	91

Cash Prices	wsj.com/market-data/commodities
Casii Fiices	wsj.com/market-data/commodities

331.00

1188.75

388.20

388.90

38.91

12.33

12.50

599.75

566.00

140.100

140.350 **140.900**

1166.75

378.40

379.80

38.27

38.07

12.27

12.45

594.25

591.50

139.425

1162.00 **1184.25** 14.75 171,289

Soybeans (CBT)-5,000 bu.; cents per bu. 1170.75 1185.75 1175.75 1190.25

Soybean Meal (CBT)-100 tons; \$ per ton. 381.30 388.70 382.40 389.40

Soybean Oil (CBT)-60,000 lbs.; cents per lb. 39.27 ▲ 38.97 ▲

 $\textbf{Rough Rice (CBT)-2,} 000\,\text{cwt.}; \$\,\text{per cwt.}$ 12.37 12.59

Wheat (CBT)-5,000 bu.; cents per bu.

597.25 605.75

595.00 602.25

139.475 140.525

140.500 141.250

Wheat (KC)-5,000 bu; cents per bu.

March 563.75 571.00 560.25

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.

38.81

38.60

12.37

12.54

March

-4.75

7.50 68.829

6.90 164,135

.39 182,403

-.08

-.10

2.00 76,436

.075 13,123

14.25 326,249

418

79.631

5,345

3,688

3.25 182,916

3.75 122,041

Tuesday, December 15, 2020 These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Tuesday

	ruesuay		Tuesday		ruesuay
Energy Coal,C.Aplc.,12500Btu,1.2S02-r,w	54.350 11.550	Aluminum, LME, \$ per metric ton Copper,Comex spot Iron Ore, 62% Fe CFR China-s	*2042.5 3.5380 155.8	Wheat,No.1soft white,PortId,OR-u	6.4000
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	11.550	Shredded Scrap, US Midwest-s,m Steel, HRC USA, FOB Midwest Mill-s	371 941	Beef,carcass equiv. index	
Metals		,		choice 1-3,600-900 lbsu	178.48
Gold, per troy oz		Fibers and Textiles		select 1-3,600-900 lbsu	160.71 0.8333
Engelhard industrial	1850.00	Burlap,10-oz,40-inch NY yd-n,w	0.6400	Broilers, National comp wtd. avgu,w Butter,AA Chicago	1.4750
Handy & Harman base	1850.65	Cotton,11/16 std lw-mdMphs-u	0.7284	Cheddar cheese,bbl,Chicago	145.75
Handy & Harman fabricated	2054.22	Cotlook 'A' Index-t	*80.70	Cheddar cheese,blk,Chicago	165.25
LBMA Gold Price AM	*1820.25	Hides,hvy native steers piece fob-u	39.500	Milk,Nonfat dry,Chicago lb.	114.25
LBMA Gold Price PM	*1831.15	Wool,64s,staple,Terr del-u,w	n.a.	Coffee.Brazilian.Comp	1.1768
Krugerrand,wholesale-e	1926.08	Grains and Feeds		Coffee,Colombian, NY	1.7364
Maple Leaf-e	1944.60			Eggs,large white,Chicago-u	0.7150
American Eagle-e	1944.60	Barley,top-quality Mnpls-u	n.a.	Flour,hard winter KC	15.55
Mexican peso-e	2240.96	Bran,wheat middlings, KC-u	149	Hams,17-20 lbs,Mid-US fob-u	0.76
Austria crown-e	1818.33	Corn,No. 2 yellow,Cent IL-bp,u	4.1750	Hogs,lowa-So. Minnesota-u	63.93
Austria phil-e	1944.60	Corn gluten feed, Midwest-u, w	152.0	Pork bellies,12-14 lb MidUS-u	n.a.
Silver, troy oz.		Corn gluten meal,Midwest-u,w Cottonseed meal-u.w	554.3 428	Pork loins,13-19 lb MidUS-u	0.8058
Engelhard industrial	24.4500	Hominy feed, Cent IL-u, w	122	Steers,TexOkla. Choice-u	n.a.
Handy & Harman base	24.4990	Meat-bonemeal,50% pro Mnpls-u,w	295	Steers,feeder,Okla. City-u,w	152.06
Handy & Harman fabricated	30.6240	Oats.No.2 milling,Mnpls-u	3.5750	E-110"-	
LBMA spot price	*£17.7700	Rice, Long Grain Milled, No. 2 AR-u,w	28.38	Fats and Oils	
(U.S.\$ equivalent)	*23.8550	Sorghum,(Milo) No.2 Gulf-u	6.3475	Corn oil,crude wet/dry mill wtd. avgu,w	41.0000
Coins,wholesale \$1,000 face-a	18383	SoybeanMeal,Cent IL,rail,ton48%-u	385.70	Grease,choice white,Chicago-h	0.3200
Other metals		Soybeans,No.1 yllw IL-bp,u	11.7250	Lard,Chicago-u	n.a.
LBMA Platinum Price PM	*1027.0	Wheat,Spring14%-pro Mnpls-u	6.6450	Soybean oil,crude;Centl IL-u	0.4019
Platinum,Engelhard industrial	1030.0	Wheat,No.2 soft red,St.Louis-u	6.2725	Tallow,bleach;Chicago-h	0.3675
Palladium,Engelhard industrial	2365.0	Wheat - Hard - KC (USDA) \$ per bu-u	5.9100	Tallow,edible,Chicago-u	0.3750

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly; Z=not quoted. *Data as of 12/14 Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

December 15, 2020

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

	Infl	ation			
	Nov.in		Chg Fron Oct. '20	n (%) Nov. ′19	Bid Offer
U.S. consu All items	•	ce inde	-0.06	1.2	Treas
Core	269 ternati	.473 onal r	0.05	1.6	13 week 26 wee
•	Latest	Week ago		Week – Low	Fanni
Prime rate	s				30-yea
U.S. Canada Japan	3.25 2.45 1.475	3.25 2.45 1.475	4.75 3.95 1.475		30 days
Policy Rate	es				
Euro zone Switzerland Britain Australia	0.00 0.00 0.10 0.10	0.00 0.00 0.10 0.10	0.00 0.50 0.75 0.75	0.00 0.00 0.10 0.10	Call m
Overnight U.S.	repurch 0.09	1ase 0.09	1.65	-0.07	Comn 90 days
U.S.	goveri	nmen	t rates		Notes

	Week —52-WEEK— Latest ago High Low		Latest	Week ago	—52-\ High	NEEK— Low
d ffer	0.0800 0.0800 1.6000 0.0100 0.1100 0.1100 1.6300 0.0500	Libor One month	0.15250	0 1/1975	1.80475	0.12663
reasury b	oill auction	Three month	0.22875	0.23000	1.96050	0.20488
weeks 3 weeks	0.065 0.075 1.575 0.000 0.075 0.080 1.555 0.000	Six month One year	0.25175 0.33125		1.92438 2.01200	0.23375 0.32763
6 weeks	0.085 0.090 1.570 0.080					
Se	econdary market	Euro Libor				
annie Ma D-vear mort	tgage vields	One month Three month			-0.360 -0.142	

I dillile ivid				
30-year mor	tgage yields	;		
30 days	1.891	1.913	3.362	1.751
60 days	1.919	1.939	3.370	1.804
Oth	er short-	term	rates	
	Latest	Week ago	−52-\ hiah	Veek – low
		ago		

annie Mae)-year morte	e gage yields	One month -0.586 -0.591 -0.360 -0.621 Three month -0.568 -0.568 -0.142 -0.572 Six month -0.533 -0.531 -0.052 -0.536
) days) days	1.891 1.913 3.362 1.751 1.919 1.939 3.370 1.804	Six month -0.533 -0.531 -0.052 -0.536 One year -0.497 -0.495 0.008 -0.501
Othe	er short-term rates	Secured Overnight Financing Rate
	Week -52-Week-	0.08 0.08 1.64 0.01
	Latest _{ago} high low	Value – 52-Week – Latest Traded High Low
all money	2.00 2.00 3.50 2.00	DTCC GCF Repo Index
ommercia	al paper (AA financial)	Treasury 0.111 60.230 1.720 0.002

0.120 54.400 1.763 0.011

Discount

Effective rate **0.0900** 0.0900 1.6200 0.0600 **0.1000** 0.1000 1.6500 0.1000

Notes on data: U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, U.S. prime rate: Is the base rate on corporate loans posted by at least 7.0% of the 10 largest U.S. banks and is effective March 16, 2020. Other prime rates aren't directly comparable, lending practices vary widely by location; Discount rate is effective March 16, 2020. Secured Overnight Financing Rate is as of December 14, 2020. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federalfunds rates are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

0.22 0.14 2.53 0.04

Dividend Changes

0.25

Federal funds

Dividend announcements from December 15.

0.0500 0.0500 1.5800 0.0100

0.25 2.25 0.25

Company	Symbol	Yld %	Amount New/Old		Payable / Record	Company	Symbol	Yld%	Amount New/Old Frq	Payable / Record
Foreign						Special				
Medtronic	MDT	2.0	.58	Q	Jan15/Dec22	HMG/Courtland Properties	s HMG		.50	Jan12/Dec29
Tim ADR	TIMB	2.3	.23996		Jan29/Dec22	Urban Edge Properties	UE		.46	Jan19/Dec31

KEY: A: annual: M: monthly	· O: au	artorly	r rovicod	SA: comiannual: S2:1: c	tock enlit and ratio: SO: enir	2-0ff
TIMADR	HMB	2.3	.23996	Jan29/Dec22	Urban Edge Properties	

0pen March 0.4892 Euro (CME)-€125, Jan 1.2170 March 1.2174 Mini DJ Industr Dec 29938	1.2183 1.2198 Indexial Average	.04888 1.2135 1.2149 (Future		.00079 .0011 .0011	136,793 1,805 647,171	Open High hild Mini S&P Midcap 400 (CM Dec 2236.00 2288.40 March'21 2236.00 2286.20 Mini Nasdaq 100 (CME) + ST Dec 12460.50 12604.75 March'21 12472.50 12608.75	2232.80 2230.20 2230.20 20 x index 12417.00 12423.00	2286.70 2283.80 12591.75	51.50 51.30 135.25 133.50	13,771 43,709 142,558 120,791
Euro (CME)-€125,0 Jan 1.2170 March 1.2174 Mini DJ Industri Dec 29938	000; \$ per € 1.2183 1.2198 Indexial Average	1.2135 1.2149 Future	1.2172 1.2187	.0011	1,805	Dec 2236.00 2288.40 March'21 2236.00 2286.20 Mini Nasdaq 100 (cME)-\$2 Dec 12460.50 12604.75 March'21 12472.50 12608.75	2232.80 2230.20 20 x index 12417.00 12423.00	2286.70 2283.80 12591.75	51.30 135.25	43,709 142,558
Jan 1.2170 March 1.2174 Mini DJ Industri Dec 29938	1.2183 1.2198 Indexial Average	1.2149 Future	1.2187 es		,	March'21 2236.00 2286.20 Mini Nasdaq 100 (CME)-\$2 Dec 12460.50 12604.75 March'21 12472.50 12608.75	2230.20 20 x index 12417.00 12423.00	2283.80 12591.75	51.30 135.25	43,709 142,558
Mini DJ Industr Dec 29938	1.2198 Indexial Average	1.2149 Future	1.2187 es		,	Mini Nasdaq 100 (CME)-\$2 Dec 12460.50 12604.75 March'21 12472.50 12608.75	20 x index 12417.00 12423.00	12591.75	135.25	142,558
Mini DJ Industr Dec 29938	Index ial Average	(Future	es	.0011	647,171	Dec 12460.50 12604.75 March'21 12472.50 12608.75	12417.00 12423.00			
Dec 29938	ial Average					March'21 12472.50 12608.75	12423.00			
Dec 29938	ial Average							12596.00	133.50	120,791
Dec 29938		(CBT)-\$5				THE THE HOOGO				
Dec 29938		(CBT)-\$5				Mini Russell 2000 (CME)-	550 x index			
						Dec 1919.70 1964.40 A	1911.90	1960.90	45.70	256,091
	30241	29840	30203	338	51,912	Mini Russell 1000 (CME)-	550 x index			
March'21 29841	30157	29751	30114	333	55,973	Dec 2073.50 2085.80	2063.10	2086.00	26.30	3,737
S&P 500 Index	(CME) -\$250 x	index				March'21 2067.20 2082.60 A	2059.70	2082.60	26.30	5,756
Dec			3694.50	48.00	36,023	U.S. Dollar Index (ICE-US)-	\$1.000 x ind	ex		,
March'21 3672.40	3687.70	3637.30	3687.00	47.10	53	March 90.60 90.78	▼ 90.35	90.41	25	34,769
Mini S&P 500 (c	:ME) -\$50 x inc	lex				June 90.55 90.69	▼ 90.33	90.37	25	376
Dec 3653.00	3695.75	3642.75	3694.50	48.00	1,169,461					
March'21 3647.00	3688.50	3636.25	3687.00	47.00	1,765,245				Source	e: FactSe

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

return close	YTD total return (%)	Index	— Yield (9 Latest Low		return close	YTD tot return (Index		ield (% t Low	High
Broad N	Narket Bloombe	rg Barclays			Mortga	ge-Backe	d Bloo	mberg Barclays			
2283.68	7.1	U.S. Aggregate	1.170 1.020	2.370	2227.07		3.7	Mortgage-Backed	1.300	0.930	2.690
U.S. Cor	porate Indexes	Bloomberg Barclays			2173.29		3.4	Ginnie Mae (GNMA)	0.800	0.290	2.660
3432.93	9.0	U.S. Corporate	1.830 1.800	4.580	1315.43		3.8	Fannie mae (FNMA)	1.480	1.110	2.690
3097.69	6.9	Intermediate	1.180 1.170	4.400	2018.95		3.7	Freddie Mac (FHLMC)	1.460	1.080	2.710
5129.93	12.6	Long term	2.850 2.730	4.930	594.96		5.1	Muni Master	0.880	0.838	3.441
698.06	8.3	Double-A-rated	1.460 1.300	3.360	421.02		5.5	7-12 year	0.867	0.771	3.447
914.00	8.9	Triple-B-rated	2.100 2.080	5.350	481.30		6.3	12-22 year	1.289	1.224	3.690
High Yie	eld Bonds ICE Bo	ofΑ			467.36		6.0	22-plus year	1.921	1.765	4.123
491.54	5.2	High Yield Constrained	4.475 4.439	11.400	Global G	overnm	ent J.P.	Morgan [†]			
451.14	3.0	Triple-C-rated	8.704 8.704	19.071	614.98		5.5	Global Government	0.550	0.390	1.060
3304.29	3.5	High Yield 100	3.840 3.589	10.740	858.96		6.9	Canada	0.890	0.590	1.740
444.40	5.4	Global High Yield Constrained	4.428 4.425	11.310	421.83		5.4	EMU§	0.019	0.010	0.794
337.11	2.6	Europe High Yield Constrained	2.861 2.464	8.183	795.14		4.8	France	-0.130	-0.160	0.430
U.S Age	ncy Bloomberg I	Barclays			553.83		3.4	Germany	-0.500	-0.740	-0.050
1865.38	5.4	U.S Agency	0.490 0.460	1.950	295.81	-0.8		Japan	0.280	0.040	0.320
1626.15	4.0	10-20 years	0.370 0.340	1.850	619.77		4.0	Netherlands	-0.420	-0.540	0.080
4258.63	11.6	20-plus years	1.660 1.170	2.450	1084.31		7.9	U.K.	0.620	0.390	1.180
2918.93	6.7	Yankee	1.420 1.420	3.500	926.48		5.1	Emerging Markets **	4.398	4.398	7.480
	ned indexes limit ind lobal Index	dividual issuer concentrati	ons to 2%; the	e High Yie	eld 100 are th			s † In local curren E Data Services; Bloomberg	,		

Global Government Bonds: Mapping Yields

 $Yields \ and \ spreads \ over \ or \ under \ U.S. \ Treasurys \ on \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ two-year \ and \ 10-year \ government \ bonds \ in \ benchmark \ bend \ benchmark \ benchmark \ benchmark \ benchmark \ benchmark \$ selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Latest(•)-2	-1) 1	. 2	Yie 3	eld (%) ———— 4 Previous	Month ago	Year ago	Spread Under/Over U.S. Tr Latest	easurys, in basis Prev	points Year ago
0.125	U.S. 2	0.121		•			0.121	0.181	1.610			
0.875	10	0.918		•			0.896	0.895	1.827			
2.250	Australia 2	0.105 🔻		•			0.108	0.111	0.827	-1.6	-1.3	-78.3
1.000	10	0.972 🔻		•			0.975	0.898	1.266	5.4	8.0	-56.2
0.000	France 2	-0.718 🔺	•				-0.724	-0.670	-0.613	-83.9	-84.5	-222.3
0.000	10	-0.373 🔻	•				-0.370	-0.304	0.003	-129.1	-126.6	-182.5
0.000	Germany 2	-0.762 🔺	•				-0.765	-0.723	-0.617	-88.3	-88.6	-222.6
0.000	10	-0.609 🔺	•				-0.618	-0.547	-0.288	-152.7	-151.3	-211.6
0.050	Italy 2	-0.448 ▼	•				-0.438	-0.409	-0.213	-56.9	-55.9	-182.3
0.900	10	0.523 🔻		•			0.548	0.671	1.160	-39.5	-34.7	-66.7
0.100	Japan 2	-0.142 🔺	•				-0.143	-0.143	-0.138	-26.3	-26.4	-174.8
0.100	10	0.003 🔻		•			0.014	0.027	-0.028	-91.5	-88.2	-185.5
0.400	Spain 2	-0.626 🔺	•				-0.629	-0.561	-0.395	-74.7	-75.0	-200.5
1.250	10	-0.017 🔻		•			0.003	0.116	0.424	-93.5	-89.2	-140.4
0.125	U.K. 2	-0.059 🔺			T		-0.083	-0.022	0.552	-18.0	-20.4	-105.8
4.750	10	0.262		•			0.225	0.341	0.794	-65.6	-67.1	-103.4

Source: Tullett Prebon

Spread*, in basis points

Current One-day change

Corporate Debt

Issuer

American Tower

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific

Coupon (%)

Yield (%)

Maturity

Investment-grade spreads that tightened the most...

Symbol

State Street	STT	3.300	0.46	Dec. 16, '24	9	-15	n.a.
BNP Paribas	BNP	3.800	0.82	Jan. 10, '24	45	-14	49
Marathon Oil	MRO	6.600	4.73	Oct. 1, '37	307	-14	315
Lloyds Banking	LLOYDS	4.050	0.64	Aug. 16, '23	46	-10	47
UnitedHealth	UNH	3.500	0.48	Feb. 15, '24	11	-10	n.a.
Enterprise Products Operating		5.950	3.42	Feb. 1, '41	177	-8	n.a.
JPMorgan Chase	JPM	3.875	0.82	Sept. 10, '24	45	-8	38
Main Street Capital	MAIN	5.200	2.60	May 1, '24	223	-8	231
And spreads that wide	ened the mo	ost					
Nissan Motor	NSANY	3.043	1.48	Sept. 15, '23	130	12	129
Westpac Banking	WSTP	2.650	1.29	Jan. 16, '30	37	12	n.a.
USAA Capital	USAACA	1.500	0.39	May 1, '23	22	10	n.a.
Hyundai Capital America	HYNMTR	5.750	0.98	April 6, '23	80	7	n.a.
Sumitomo Mitsui Financial	SUMIBK	2.130	1.73	July 8, '30	83	6	76
BHP Billiton Finance		5.000	2.41	Sept. 30, '43	76	5	64
Cooperatieve Rabobank	RABOBK	3.875	0.60	Sept. 26, '23	42	5	n.a.

High-yield issues with the biggest price increases...

AMT

					Bond Pric	e as % of face v	alue
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Royal Caribbean	RCL	7.500	4.57	Oct. 15, '27	117.000	7.00	109.534
CF Industries	CF	4.950	3.44	June 1, '43	123.578	1.08	125.750
Hughes Satellite Systems		6.625	4.49	Aug. 1, '26	110.490	0.77	111.000
Seagate HDD Cayman		4.750	1.87	June 1, '23	106.883	0.70	106.500
FirstEnergy	FE	7.375	2.86	Nov. 15, '31	142.055	0.56	141.522
R.R. Donnelley & Sons	RRD	8.500	5.54	April 15, '29	119.500	0.50	117.750

5.000

0.74

Feb. 15, '24

37

n.a.

And with the bigg	est price decre	ases					
Transocean	RIG	6.800	21.67	March 15, '38	33.319	-1.93	28.430
Macy's	м	7.000	8.17	Feb. 15, '28	93.750	-1.50	93.500
L Brands	LB	9.375	3.84	July 1, '25	122.841	-1.13	124.250
Teva Pharmaceutical Finance N	etherlands	4.100	4.80	Oct. 1, '46	89.750	-0.72	89.750
Navient	NAVI	7.250	4.26	Jan. 25, '22	103.188	-0.70	104.500
CF Industries	CF	3.450	1.52	June 1, '23	104.625	-0.44	104.800
Netflix	NFLX	4.375	2.39	Nov. 15, '26	110.898	-0.35	111.000
CIT	СІТ	5.000	1.44	Aug. 1, '23	109.125	-0.30	109.100

"Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

European

Dividend

By Patricia Kowsmann

Ban Lifted

The European Central Bank

said that lenders can restart limited dividend payments

next year following a nine-

month ban and told banks to

be prudent about bonuses

given the economic crisis

a lifting of a ban by the Bank of

England last week. Along with

the Federal Reserve, most ma-

jor bank regulators restricted

bank dividends and buybacks

when the pandemic hit the

economy this year. Stopping

payouts helped preserve capital,

giving banks bigger buffers to

absorb losses. But the lack of

payouts hammered bank shares.

ments is a contentious one for

banks on the Continent. Even before the pandemic, they

struggled to generate profits

The issue of dividend pay-

Tuesday's ECB move follows

caused by the pandemic.

Banks'

Stocks Rally on Stimulus Talks

AND CAITLIN McCABE

Stocks climbed as investors welcomed signs of progress in negotiations over an economic relief package in Washington.

The S&P 500 rose 47.13 points, or 1.3%, to 3694.62, snapping a four-session losing streak, the index's longest stretch of losses since late September.

TUESDAY'S MARKETS

to 30199.31.

The Jones Industrial Average gained 337.76 points, or $1.1\overline{9}$,

And the tech-heavy Nasdaq Composite jumped 155.02 points, or 1.2%, to 12595.06marking the index's 51st record close of the year.

Enthusiasm that U.S. lawmakers may be closer to a stimulus deal helped lift stocks, which have largely swung between small gains and losses since finishing Nowith blockbuster gains. Democratic and Republican

lawmakers have been at an impasse over a stimulus deal, but on Monday, a bipartisan group of lawmakers urged congressional leaders to forge ahead with a \$748 billion aid package that would avoid the thorniest issues holding up a deal.

In corporate news, shares of Apple climbed after Nikkei Asia reported that the company plans to produce as many as 96 million iPhones in the first half, a nearly 30% yearover-year jump. Shares of the iPhone maker rallied \$6.10, or 5%, to \$127.88.

Energy stocks, banks and materials companies also rallied, while the Russell 2000 index of small-company stocks jumped 2.4%. The index's 17% gain for the year is outpacing the S&P 500's 14% rise.

In contrast, shares of several vaccine makers tumbled. Pfizer fell 50 cents, or 1.3%, to \$38.71, while **Moderna** slid



Shares of Apple rose after Nikkei Asia reported that the company plans to increase iPhone production by about 30%.

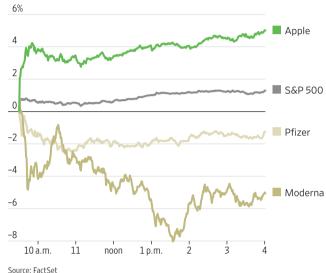
\$7.85, or 5.1%, to \$147.22.

The Food and Drug Administration said Tuesday that Moderna's Covid-19 shot is "highly effective," suggesting it could soon be added to the arsenal against the pandemic. Shares of the company have experienced a significant runup this year. Even with Tuesday's losses, Moderna remains up more than 650% year to

On Monday, the Covid-19 death toll in the U.S. surpassed 300,000, underscoring that despite advances in coronavirus medical treatments and vacthe pandemic still threatens to continue to be a drag on the U.S. economy.

The market is having to deal with a lot of headwinds," said Hani Redha, a portfolio manager at PineBridge Investments. "Both on the virus itself, the risk of tighter and tighter lockdowns, and uncertainty around any kind of additional stimulus in the U.S."

Share-price and index performance, Tuesday



Still, many money managers hope that vaccines, coupled with continuing support from central banks, will allow the rally in stocks and corporate bonds to extend into 2021. Ad-

ditional support from the U.S. government could offer more buovancy to markets.

"The jury's still a little bit out on exactly what's going to be passed here," said Lyn Graham-Taylor, senior rates strategist at Rabobank. "The U.S. does need some more fiscal stimulus to see it through these winter months."

iump if U.S. lawmakers do pass a significant stimulus package, lifting growth, inflation prospects and the supply of bonds, Mr. Graham-Taylor added. The yield on the 10-year U.S. Treasury note rose to 0.921% from 0.891% on Monday.

The dollar fell against the euro, British pound and Japanese yen. The WSJ Dollar Index, which measures the currency against 16 rivals, fell

In overseas markets, the regionwide Stoxx Europe 600 index ticked up about 0.3%.

Asian markets moved early Wednesday. Japan's Nikkei was up 0.3%, Hong Kong's Hang Seng Index was up 0.9% and South Korea's Kospi was up 0.5%. U.S. stock futures were flat.

cover only two-thirds of the

Oil prices climbed on Tues-

day, hitting nine-month highs

and rising with broader risk

assets on hopes for a U.S. pan-

demic-relief package, accord-

ing to Edward Moya, an ana-

crude added 0.9% to \$50.76 a

barrel. West Texas Intermedi-

ate futures, the U.S. bench-

Global benchmark Brent

demand lost this year.

amid sluggish economic growth Treasury yields are likely to and negative interest rates. Dividends were one of the few reasons investors held their shares. The Euro Stoxx Banks index is down more than 20% this year, compared with a 6% fall in the Euro Stoxx 50 blue-chip index The ECB said Tuesday that

dividends and share buybacks need to be below 15% of the combined profits for the past two years or no higher than 0.2 percentage point of the common equity Tier 1 ratio, whichever is lower. Banks need to be profitable and "have robust capital trajectories," it added. While the ECB calls these instructions recommendations, the banks treat them as rules since going against them would likely lead to serious regulatory reprisals.

The ECB's conditions are harsher than those imposed last week by the Bank of England, which limited dividend distribution to 25% of 2019 and 2020 profits combined or 0.2% of the bank's risk-weighted assets, whichever is higher.

The ECB also said it sent a letter to banks asking for moderation in their bonus policies.

"The reputational impact of the payment of variable remuneration during a global crisis situation should not be underestimated-particularly in the case of large individual amounts—and should be duly considered," Andrea Enria, the ECB's bank-supervision head, said in the letter.

Mr. Enria previously defended the dividend ban and bonus moderation saying governments have provided trillions of euros in financial support to the eurozone, including guaranteed loans that eased

the burden on lenders. Internally at the ECB, the issue of dividends has been divisive. While some supervisory board members thought that an extension of the ban was warranted given the pandemic's impact on banks is still unknown, others worried the restriction

Banks have lobbied intensely to lift the ban. Some argued that bigger payouts would lift their share prices, making it

would do more harm than good.

"Restricting dividends can increase banks' funding costs, have an impact on their access to capital markets and make them less competitive than their international peers," said Yves Mersch, vice chairman of the ECB's bank supervisory board, at a September confer-

Energy Agency Cuts Global Oil-Demand Forecast

from its 16% drop in the sec-

ond quarter, but that resur-

gence "is almost entirely due

to China's fast rebound from

lockdown," the IEA said. But

the demand outlook in the

By David Hodari

LONDON—It will be several months before coronavirus vaccinations start to boost global oil demand, with the recovery in some of the world's wealthy coun-

COMMODITIES tries "going backwards' this quarter, the International

Energy Agency said Tuesday. In its monthly oil-market report, the IEA cut its forecast

by 170,000 barrels a day to 5.7 million barrels a day.

That included a reduction of 400,000 barrels a day to its forecast demand for the second quarter when analysts had expected the expansion of vaccination programs around the world to begin lifting economic activity.

The agency also lowered its demand forecast for the final quarter of 2020.

Demand has somewhat re-

wealthy countries that make up the Organization for Economic Cooperation and Development is bleak, according to the IEA.

With another wave of infections prompting a return to lockdown measures in Europe. three months of the year is expected to be even weaker than it was in the third quarter, the agency said.

Expected pressure on the airline industry in 2021 was a major driver behind the IEA's downgrades.

Weaker demand for jet fuel and kerosene is projected to next year account for 80% of the shortfall of 3.1 million barrels a day in overall demand compared with 2019, meaning

mark, rose 1.3% to \$47.62 a

lyst at broker Oanda.

Swiss Bank Focuses On Wealth

Continued from page B1 ing for cash with wealthy clients who want to invest in privately held companies.

Even so, Credit Suisse's share price has lagged behind that of rival UBS Group AG in performance and valuation.

In terms of size, it is dwarfed by U.S. banking giants such as JPMorgan Chase & Co and Morgan Stanley.

The possibility of a merger between Credit Suisse and UBS, a subject of perennial speculation, was rekindled this year when UBS said it had studied the matter as a way for both the banks to cut costs

and stay competitive.

Mr. Gottstein on Tuesday said many European countries including Switzerland are overbanked. But he said it is hard for large banks to combine, and that Credit Suisse instead might buy smaller priand assetvate-banking management businesses for

To woo wealthy clients, Mr. Gottstein will have to overcome the reputational challenges he inherited. His presentation didn't directly address the spying scandal and other mishaps that plagued the bank this year. It came under fire after its chief operating officer and security chief hired private investigators to follow two executives last year. The bank ousted Mr. Thiam for failing to contain the fallout. Last month, The Wall Street Journal reported a law firm hired by the bank found two more employees had been put

Data provided by LIPPER

Year-to-date share performance



Source: FactSet

Net YTD NAV Chg %Ret Fund

16.46 +0.13 29.9 Harbor Funds

OoubleLine Funds

under observation previously. Beyond the spying scandal, several investment products sold by the bank ran into trouble this year, and the bank's

Net YTD NAV Chg %Ret

10.63 +0.05 8.9

LrgCpStr

InvGrdCrBd

NA

10.59

... NA

8.7

decadeold investment in a

hedge fund soured.

In November, Credit Suisse said it expects to take a \$450 million impairment on an equity stake it holds in hedgefund manager York Capital Management, after York narrowed the scope of its operations. The bank said this month it may take a separate provision, for an undisclosed amount, as part of a U.S. civil court case over residential mortgage-backed securities it marketed to investors before the 2008 financial crisis.

A set of supply-chain finance funds were reviewed for potential conflicts of interest among fund investors and companies receiving financing. Collapsing values on some of its exchangetraded notes caused heavy losses for investors.

Its role in marketing securities tied to shares in Wirecard AG before the fintech company's collapse in June also

came under scrutiny.

Mr. Gottstein said the Credit Suisse brand is still very strong" with clients, and that he and his team will try to set the bar higher to avoid future scandals and litigation. "It's verv clear that this management team has no appetite for creating new problems either for ourselves or future management teams," Gottstein said.

The wealth-management business, with clients ranging from tech entrepreneurs to large family offices, made around 4 billion Swiss francs in pretax profit in the 12 months to Sept. 30., equivalent to \$4.5 billion. Mr. Gottstein said the aim

now is to raise its annual pretax profit in wealth management to between 5 billion francs and 5.5 billion francs in 2023. Most new capital will be earmarked for the business. the bank said.

TotBdAdml 11.62

Mutual Funds

N PerA p

NwWrldA

SmCpA p

85.55 +0.82 21.3

77.94 +0.80 32.5

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets **e**-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not

available due to incomplete price, performance or cost data. NE -Not released by Lippe data under review. NN -Fund not tracked. NS -Fund didn't exist at start of period.											
Tuesday, December 15, 2020											
Fund	NAV		YTD %Ret	Fund	NAV		YTD %Ret		NAV	Net Chg	
American Century Inv				Baird Funds				DivIncom I	25.46	+0.32	
Ultra	73.74	+0.88	45.4	AggBdInst	11.88	-0.01	8.2	Dimensional	Fds		
American Funds CI A				CorBdInst	12.23	-0.02	8.3	5GlbFxdInc	10.89		
AmcpA p	39.25	+0.38	18.9	BlackRock Fu	nds			EmgMktVa	28.16	+0.19	,
AMutlA p	44.43	+0.47	3.7	HiYBlk	7.75	+0.01	4.8	EmMktCorEq	23.55	+0.18	1
BalA p	29.88	-0.69	9.7	HiYldBd Inst	7.74	+0.01	4.8	IntlCoreEq	14.34	+0.18	
BondA p	14.19		10.4	BlackRock Fu	nds A			IntSmCo	20.08	+0.29	,
CapIBA p	63.05	+0.31	2.3	GlbIAlloc p	22.09	+0.17	17.6	IntSmVa	18.82	+0.33	-
CapWGrA	58.18	+0.36	13.0	BlackRock Fu	nds III			LgCo	27.66	+0.35	1
EupacA p	67.27	+0.69	20.9	iShS&P500ldxK	436.78	+5.57	16.4	TAUSCoreEq2	22.72	+0.37	1
FdInvA p	68.62	+0.67	13.2	BlackRock Fu	nds In	st		US CoreEq1	29.24	+0.45	1
GwthA p	68.60	+0.39	34.2	StratIncOpptyIns	10.35	+0.01	6.5	US CoreEq2	26.57	+0.43	1
HI TrA p	10.11		5.9	Bridge Builde	r Trus	t		US Small	38.09	+0.90	1
ICAA p	43.89	+0.38	12.7	CoreBond	10.77		8.3	US SmCpVal	34.62	+0.87	

Cplnc r NA Divlntl CoreFxdIncmI TotRetBdl 10.72 ... 4.0 GroCo 35.28 +0.36 65.2 Edgewood Growth Instituti 35.37 +0.36 65.4 11.88 ... 9.4 47.88 +0.63 7.6 woodGrInst 53.38 +0.29 38.6 InvGrBd LowP r 500ldxlnstPrem127.97 +1.63 16.4 Magin 12.73 +0.13 25. Contrafund K6 18.50 + 0.14 28.1 NASDAQ ExtMktldxInstPre 82.42 + 1.33 30.5 OTC 159.12 +1.96 41. FidSerToMarket 12.70 +0.17 18.8 Puritn 25.66 +0.22 18. IntilidxinstPrem 44.85 +0.28 6.4 SrsEmrgMkt 24.23 +0.17 21.1 MidCplnxInstPrem 27.21 +0.44 15.8 SrsGlobal 14.08 +0.09 8.8 SAIUSLgCpIndxFd 19.30 +0.25 16.3 SrsGroCoRetail 29.68 +0.31 67.2 SeriesBondFd 10.76 -0.01 7.4 SrsIntlGrw 17.24 +0.13 15.0 SeriesOverseas 12.05 +0.07 13.1 SrsIntlVal SmCpldxInstPrem 24.77 +0.58 19.0 11.30 +0.01 8.9 TMktldxlnstPrem105.97 +1.42 18.8 Fidelity SAI USBdldxlnstPrem 12.42 -0.01 7.4 TotalBd 10.73 +0.01 8.0 Fidelity Selects
Softwr r 26.78 +0.06 39.3 NwInsghtl 37.02 +0.31 21.8 Softwr r Tech r 30.09 +0.50 57.4 17.66 +0.10 12.3 First Eagle Funds 15.79 +0.10 13.1 GlbA 60.6 FF2020 60.60 +0.66 7.3 19.72 +0.14 13.8 Franklin A1 peedom2020 K 17.65 +0.10 12.3 CA TF A1 p peedom2025 K 15.77 +0.10 13.1 IncomeA1 p 2.29 +0.02 3.1 Freedom2030 K 19.71 +0.14 14.0 FrankTemp/Frank Adv 23.35 -0.12 4.1 CorePlusBond 10.57 8.9 US TadVal 23.60 +0.58 3.2 Freedom2035 K 16.86 +0.16 15.3 IncomeAdv 2.27 +0.02 3. 61.27 +0.47 29.6 Intl Eq 59.36 +0.45 29.8 LargeCap(Intl Eq 13.40 +0.15 11.8 USLgVa LargeCapGrowth 20.23 +0.21 31.9 **Dodge &** Freedom2040 K 11.92 +0.12 16.2 FrankTemp/Franklin A Growth A p 132.08 +1.54 27 27.77 +0.29 20.2 RisDv A p 105.64 +0.94 7.3 Balanc LargeCapValue 14.61 +0.21 8.2 Balanced 78.45 +0.85 13.8 14.96 ... 44.34 +0.62 9.0 BluCh 1.7 Contra 163.59 +2.22 58.3 **Guggenheim Funds Tru**16.42 +0.13 29.8 TotRtnBdFdClinst 30.25 -0.04 14.4 ClearBridge LargeCapGrowthl

Net YTD NAV Chg %Ret NAV Chg CapApInst 114.24 +0.89 50.8 PIMCO Funds A IntlEq PIMCO Funds 12 vesco Funds Y)evMktY 52.02 +0.54 14.3 IncomeFd NΑ oreBond Price Funds NA 162.36 +1.23 32.2 58.96 +0.79 11.9 31.10 +0.46 0.9 DMorgan R Class EqInc ord Abbett A Growth 95.03 +0.79 34.2 htDurlncmA p 4.21 2.8 _gCapGow 2.7 htDurlncm MidCap 111.28 +1.77 22.2 Metropolitan West NHoriz 24.75 +0.17 12.0 otRetBdL R2025 20.16 +0.16 13.4 MFS Funds Class I R2030 29.65 +0.27 14.5 Growth I 157.97 -4.40 24.2 21.98 +0.23 15.5 31.51 +0.34 16.4 Valuel 45.06 +0.58 2.4 PRIMECAP Odyssey Fds 29.99 +0.14 8.7 IntlEq

AggGrowth r 53.13 -3.25 27.7
Schwab Funds 42.48 +0.54 16.3 1000 Inv r 84.45 +1.09 NA S&P Sel 57.48 +0.73 NA NA 66.46 +0.89 NA TIAA/CREF Funds
FaldxInst 27.34+0.37 18.9 rnassus Fds 52.80 +0.55 19.1 GIM Funds CI Z VANGUARD ADMIRAL NA PIMCO Fds Insti BalAdml 44.41 +0.35 15.1 12.38 +0.01 4.7 CAITAdml

Net YTD NAV Chg %Ret 40.93 +0.26 12.5 79.30 +1.05 2.2 WelltnAdml 80.39 +0.63 WndsrAdml 76.23 +1.23 FMAdmr VANGUARD FDS DivdGro ExtndAdml 123.78 +2.00 30.6 33.46 +0.34 10.5 INSTTRF2020 26.76 +0.14 11.0 INSTTRF2025 27.72 +0.19 12.1 GNMAAdml 10.71 GrwthAdml 127.76 +1.41 37.0 HlthCareAdml r 95.12 +0.94 11.5 INSTTRF2030 28.31 +0.21 12.7 INSTTRF2035 28.88 +0.24 13.3 INSTTRF2040 29.44 +0.27 13.8 HYCorAdml r 5.96 4.8 28.49 +0.04 10.4 nfProAd IntlGrAdml 159.57 +1.71 55.2 ITBondAdml 12.64 -0.01 9.4 ITIGradeAdml 10.70 9.8 INSTTRF2050 30.02 +0.31 14. TGradeAdml 12.09 -0.03 14.6 IntlVal 40.28 +0.60 7. MidCpAdml 254.80 +3.73 17.0 MuHYAdml 11.97 +0.01 5.2 MulntAdml 14.85 ... 5.0 LifeCon 22.94 +0.09 10. LifeMod MuLTAdml 12.27 PrmcpCor MultdAdml 11.26 MuShtAdml 15.95 ... 1.9 PrmcpAdml r167.04+2.62 15.9 TgtRe2015 TatRe2020 RealEstatAdml121.58 +2.53 -5. atRe2025 SmCapAdml 92.49 +1.82 17.6 SmGthAdml 92.16 +1.55 32.4 STBondAdml 10.87 ... 4.6

INSTTRF2045 29.94 +0.31 14.4 32.14 + 0.21 12.3 30.94 +0.52 10.8 36.09 +0.20 10.9 22.23 +0.15 12.0 41.07 +0.30 12.7 TgtRe2035 25.50 +0.21 13.2 STIGradeAdml 11.02 +0.01 5.1 atRe2040 44.52 +0.41 13.8 TotBdInst2 28.27 +0.28 14.5 45.56 +0.47 14.6 TotBdInstPl 11.62 TotlntBdldxInst 35.17 -0.02 4.6 otIntBdldxAdm 23.44 -0.01 4.5 TgtRe2050 otintButxAdiii 23.44 -0.01 4.5 otintlAdmldx r 32.15 +0.28 9.1 otStAdml 93.57 +1.24 19.0 TatRet2055 49.45 +0.51 14.5 rgtRetInc FotIntBdlxInv 15.18 +0.04 / 11.72 -0.01 TxMCapAdml194.86 +2.50 19.0 TxMln r 15.09 +0.14 8.3 USGroAdml 173.27 +1.61 55.5 ValAdml 46.26 +0.62 1.3 USGro 66.84 +0.63 55.4 CAITAdml 12.38 +0.01 4.7 ValAdml 46.26 +0.62 1.3 Welltn 46.55 +0.37 CapOpAdml r192.42 +3.31 22.0 WdsrllAdml 72.20 +1.01 12.7 Wndsrll 40.68 +0.56 WellslAdml 69.85 +0.32 7.9 VANGUARD INDEX FDS

TotBd2 Totintlinstldx r128.57 +1.14
TotitlinstPlid r128.60 +1.14 VANGUARD INSTL FDS DevMktsInxInst 23.62 +0.22 8.3 ExtndInst 123.77 +2.00 30.6 GrwthInst InPrSeIn InstIdx InstPlus 330.66 +4.22 16.4 InstTStPlus 80.06 +1.06 19.0 MidCpInst 56.29 +0.83 17.0 MidCpIstPl 277.60 +4.06 17.0 SmCapInst 92.49 +1.82 17.6 STIGradeInst 11.02 +0.01 5.1 STIPSIxins 25.71 +0.03 4.7

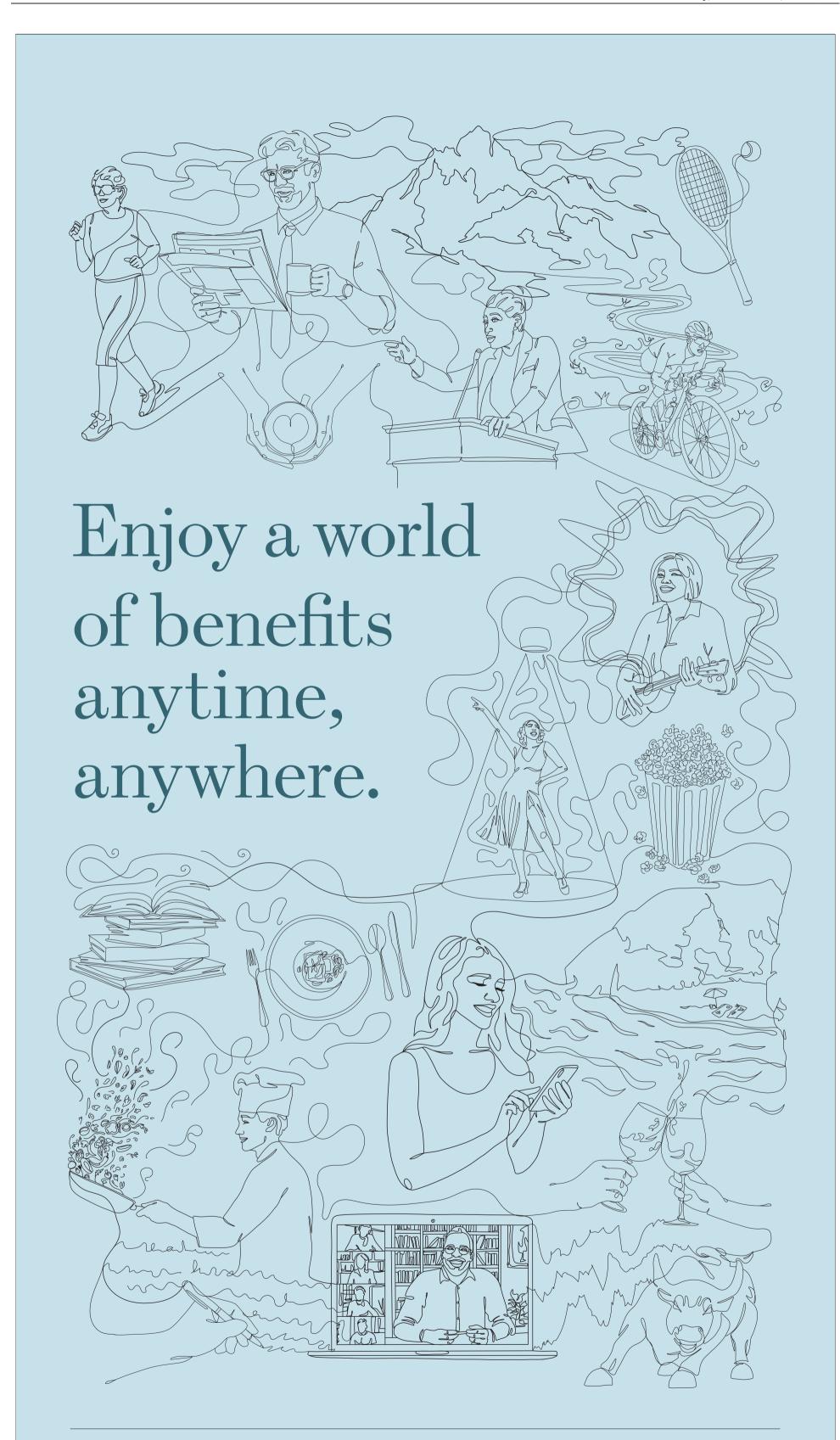
ExtndIstPl 305.45 +4.93 30.6

SmValAdml 61.16 +1.35 5.4

93.58 +1.24 19.0 46.26 +0.62 1.3 WCM Focus Funds WCMFocIntlGrwIns 24.01 +0.23 28.8 28.83 + 0.13 7.8 Western Asset
46.55 + 0.37 9.3 CoreBondl NA ... NA
40.68 + 0.56 12.6 CorePlusBdl 12.49 - 0.18 7.1
NDEX FDS CorePlusBdl 512.49 - 0.18 7.2

11.53 -0.01 7.0

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HEARD ON STREET

FINANCIAL ANALYSIS & COMMENTARY

Europe's New Tech Regulations Will Bite, Eventually

U.S. tech giants face a host of new rules that imply meaningful changes to the way they make money

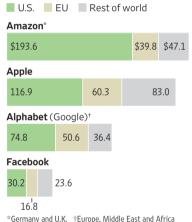
Investors have gotten used to shrugging off Europe's efforts to regulate U.S. tech giants. The point at which they will be forced to pay closer attention may not be quite here, but it is drawing inexorably nearer.

Tuesday brought news on multiple fronts. **Twitter** was hit with the first fine under the European Union's landmark privacy regulations, albeit a modest one; Britain proposed new online safety legislation; and, most significantly, EU officials published their long-awaited two proposals covering the regulation of big tech companies.

Many more national regulations also are in the pipeline around Europe. Tech giants' warnings that clampdowns will hamper innovation are increasingly falling on deaf ears in the region, just as they are in Washington. In a sign of their concern, U.S. tech giants have staffed up in Brussels.

Most of the new European rules have two main ambitions: enforcing a higher duty of care in policing online content on the one hand; and restraining big platforms' market power to create and maintain space for competitors on the other. Both imply meaningful changes to the way companies such as Amazon, Facebook, Apple and Alphabet make money. Previous action against the tech companies in Europe was mainly based

Revenue by region in 2019, in billions



on antitrust law and often struggled to hit its mark.

If regulators still don't get what they want, they are giving themselves the right to impose significant potential fines, up to a maximum of 10% of global revenues. Admittedly, previous penalties for antitrust breaches have been lower.

In the past, stringent new national regulations could just be avoided. In 2014 Google shut its Spanish news service in response to local rules requiring payment for clips. The breadth of the current regulatory push in Europe makes this approach nearly impossible now, even if national approaches vary. As a whole, the region accounts for just under a quarter of 2019 revenues at Apple and Facebook.

Another problem for big tech is that Europe is a regulatory trendsetter for other nations around the world. This was seen with both its GDPR for privacy and REACH rules for chemicals. Antitrust action in Washington and many U.S. states has echoes of cases done in Brussels.

Technology shares have been on a tear this year as the usefulness of the companies' products in a pandemic has trumped regulatory concerns. Tuesday's regulations won't immediately end the party. The new EU rules will likely take one to two years to be completed and enacted, though national regimes are moving more quickly. German rules are in the final stages and could apply from early next year.

Investors can also relax about forced demergers. While the EU proposal includes the power to break up repeat offenders, it seems inconceivable that European officials would split a U.S. company.

At some point, however, the determination of European regulators to exert greater control over U.S. tech giants in their jurisdictions seems bound to have some effect on their financial results. Regulatory proposals of the kind published Tuesday aren't a clear sell signal, but nor can investors afford to tune them out. Europe isn't giving up. —Rochelle Toplensky



During the worst of the lockdowns in April and May, three-quarters of Inditex's shops around the world had to close.

Zara's Owner Feels the Chill

Chain's online business can only partly offset a fresh wave of store closures

Zara's owner is having to shut stores again in the crucial run-up to Christmas. The fashion retailer's fast-growing online business may not patch the hole as well as might be hoped.

Spain-based **Inditex**, the world's largest clothing retailer, said Tuesday that sales over the three months through October fell 10% at constant exchange rates compared with the same period of 2019

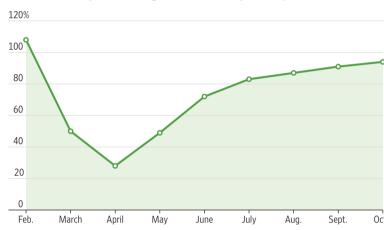
The company had almost recovered to precrisis sales levels when the second wave struck. Markets like Spain and Ireland imposed tighter rules on nonessential retailers from mid-October.

With new restrictions coming into force this week in parts of the U.K., Germany and the Netherlands, the question is whether Inditex's digital business—which is much larger today than it was before the pandemic—can claw back lost store sales any faster than it did during the first wave of restrictions

The answer seems to be a qualified no based on the data so far.

During the worst of the lock-downs in April and May, three-quarters of Inditex's world-wide shops were forced to close, leading to a 62% drop in sales. In November, 21% of the company's locations were shut, and group sales fell 19%. That performance should have been stronger if the

Inditex's monthly sales, change from the same period a year earlier



Source: the company

digital business was picking up the slack faster than during the first shutdowns, according to estimates of Inditex's store-based sales by Bernstein analyst Aneesha Sherman.

There are a few explanations. Inditex's digital sales have already grown by 75% in 2020. All those shoppers that were prepared to switch to buying online may have already done so.

It is also likely that social-distancing rules are lowering purchases in stores that remain open. The company's digital arm isn't big enough yet to offset weaker business in open locations as well as those that are closed com-

pletely.

In other respects, Inditex looks as impressive as usual. Inventory levels at the end of October were 11% lower than they were the same time last year. Tightly controlling stock means fewer clothes have to be sold at a discount, protecting profit margins. And net cash of €8.3 billion, equivalent to \$10 billion, was a record high.

The retailer has done a great job of growing its online business this year, and will be much sharper digitally after the pandemic has passed. In the short term, though, it won't be enough to protect the business from winter closures. —Carol Ryan

Big Drugmakers Pass Their Annual Checkup

Pharmaceutical giants are expecting a healthy 2021. Importantly for investors, that bright future doesn't necessarily depend on the course of the coronavirus pandemic.

Source: S&P Capital IO

Eli Lilly said Tuesday it expects revenue of \$26.5 billion to \$28 billion next year, which is about 11% higher from this year's forecast. That growth is primarily from drugs already on the market, such as diabetes treatment Trulicity and anti-inflammatory drug Taltz. Lilly boosted its dividend payout by 15% and shares rose. Lilly also announced a deal to acquire gene-therapy startup Prevail Therapeutics for \$880 million in upfront cash.

Similarly on Monday, AbbVie increased its long-term guidance for the two immunology drugs Rinvoq and Skyrizi. The company now expects the two drugs to combine for \$15 billion in revenue by 2025, up from a previous forecast of \$10 billion. That seems like a tall order, since those drugs have combined for just \$1.3 billion in sales in the first nine months of 2020. But fresh clinical data make that possibility seem more realistic: Rinvoq, which is taken orally, was shown to be more effective for atopic dermatitis patients than the current standard of care in a late-stage clinical trial. While the pandemic has slowed new drug launches across the industry, dermatology is a lucrative and growing market.

Hitting that guidance is essential to keep investors happy, because AbbVie faces cheaper competition for its anti-inflammatory drug Humira in the U.S. in the coming years. With global sales of nearly \$15 billion so far this year, Humira is the world's bestselling drug and accounts for about half of total company sales.

The outlook for these companies looks even better when one considers that they aren't counting on Covid-19 treatments to make it hap-

Share-price performance, year to date



pen. After all, the duration of the pandemic, and the resulting sales opportunities for drugmakers, is highly uncertain. With vaccines now being distributed, Wall Street is likely to place a low value on profits from drugs like Lilly's antibody treatment for Covid-19. Lilly expects between \$1 billion to \$2 billion in Covid-19-related sales next year, a fraction of the overall top line. It

More deals could be in store even with many biotech stocks trading at bubble valuations.

also plans to spend \$300 million to \$400 million on pandemic-related research. The impact of the pandemic on AbbVie's financial performance is minimal.

mance is minimal.

And with the election in the rearview mirror, the industry has become more comfortable with risks like tougher regulations on prescrip-

tion-drug prices. That means more

deals could be in store, even with many biotech stocks trading at bubble valuations that are unpalatable to buyers. There is still value for disciplined buyers: **AstraZeneca** announced a deal to acquire **Alexion Pharmaceuticals** for \$39 billion in cash and stock last week. That valued Alexion at less than 15 times 2020 earnings, even with a large deal premium.

While the shares are no screaming bargain, valuations are reasonable in a market where many stock prices have become divorced from underlying business reality. Lilly trades at about 21 times this year's adjusted profit forecast, while Abb-Vie trades at 10 times. The fact that these businesses are largely undisturbed by the course of the pandemic should make them more attractive to investors, as the timetable for full recovery remains uncertain and market values in many industries could swing wildly if expectations for a return to normal change.

In that investing environment, exposure to big drugmakers should help Wall Street keep a steady pulse.

—Charley Grant

China's Stimulus Won't Do Heavy Lifting in 2021

Beijing's stimulus policies this year have been restrained by past standards, and certainly compared with those in the U.S. and Europe. Now, with consumers spending again and private investment recovering, even that modest extra gas for the economy will start to burn away.

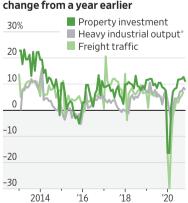
That could limit further upside next year for heavy industrial stocks such as **Komatsu** and **Caterpillar**, which roared back in mid-2020 as Chinese construction and investment spending returned. On the other hand, the improving fortunes of Chinese households, underpinned by strong export and labor-market momentum, could help shore up consumer stocks like **Alibaba**, which have come under the pressure of increasing regulatory scrutiny.

China's main November economic data, released Tuesday, showed private-sector investment is finally up again in 2020 year to date, compared with the same period last year. Retail sales continued improving and unemployment edged down. Real-estate investment softened to 10.9% growth year over year: still strong, but the slowest since June. Investment growth in power, rail and road infrastructure also eased.

and road infrastructure also eased. It is notable that the slowdown in infrastructure and construction investment comes after an increase in bond yields and signs of a peak in overall credit expansion. Growth in overall outstanding debt and equity finance eased marginally in November for the first time in close to a year, thanks to slowing corporate-bond issuance and a quicker fall in shadow finance.

A spate of bond defaults by state-owned firms has pushed up bond yields in recent weeks. The

Chinese economic data,



*Average of output growth in metals cement, glass and electricity Source: CEIC

central bank has acted to contain the increases, but hasn't injected enough cash to push yields firmly back down again. Investors can take this as a hint that policy makers are comfortable enough with the shape of the recovery to let state-backed investment begin to ebb again.

Given the usual lags between borrowing and actual building, strong demand for heavy industrial products probably still has a few months to run. But by the middle of next year—just as the rest of the world is ramping back up—China's heavy industrial complex seems likely to cool.

Komatsu stock is trading for 21 times expected earnings for the next 12 months, according to Fact-Set, just below its late 2016 valuation peak. The beginning of a global cyclical uptick might seem like a great time to own heavy industrial shares, but that part of China's recovery is already long in the tooth. The best time for getting in may have passed. —Nathaniel Taplin