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What's News

Business & Finance

Trump administration regulators have signaled they want to abandon long-simmering plans to further regulate pay on Wall Street, but events have already led to tighter controls. **B1**

◆ **Samsung** will release its lower-price copy of J&J's blockbuster rheumatoid-arthritis drug Remicade in the U.S. **A1**

◆ **OPEC** acknowledged its role in low oil prices and was contemplating a crackdown on countries that aren't keeping their promises to cut output. **B1**

◆ **Chinese conglomerate HNA** asked Bank of America in a letter for clarification on its stance on working with the company. **B5**

◆ **KKR has reached** a deal to buy WebMD for \$2.8 billion. The acquisition is expected to close during the fourth quarter. **B1**

◆ **GrabTaxi** plans to raise \$2.5 billion in a deal that would value the Singaporean startup at more than \$6 billion. **B4**

◆ **Wildfires in Canada** are pushing up the price of lumber, threatening the supply to U.S. home builders. **B1**

◆ **Ryanair said net profit** rose 55% in its fiscal first quarter, but warned that overcapacity will continue to pressure fares. **B2**

◆ **Foxconn**, which assembles Apple's iPhones, is nearing a decision to invest in Wisconsin. **B4**

World-Wide

◆ **Duterte chided** the Philippines' mining industry for its environmental record and may consider stopping the exports of raw materials. **A1**

◆ **Kushner released** details of his contacts with Russian officials in the two years since Trump launched his presidential campaign. **A1**

◆ **Poland's Duda** will veto legislation that would force the entire Supreme Court into retirement. **A3**

◆ **Democrats are** launching a new policy agenda that seeks to bridge gaps with voters amid polls showing most Americans don't know what the party stands for. **A6**

◆ **Veterans advocacy** groups launched a campaign against a congressional funding proposal for the VA. **A6**

◆ **The Taliban** claimed responsibility for a suicide attack on a minibus in the Afghan capital that killed at least 24 people. **A4**

◆ **NATO** is working to defuse a dispute between Turkey and Germany that threatens to undermine its operations. **A5**

◆ **Trump referred** to Sessions as "beleaguered," in one of a series of tweets. **A6**

◆ **The parents** of Charlie Gard abandoned their legal fight to take the terminally ill child abroad for experimental therapy. **A5**

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A Father Mourns After Afghanistan Suicide Attack



DOZENS DIE: The Taliban claimed responsibility for a suicide attack on a minibus in Kabul that killed at least 24 people. A security official said the death toll could rise to as many as 38 people. Above, a father who lost his son, at a hospital. **A4**

Duterte Takes On Miners

Philippine leader says he will consider halting exports of unprocessed minerals

By JAKE MAXWELL WATTS
AND BIMAN MUKHERJI

Philippine President Rodrigo Duterte criticized the country's mining industry for its environmental record and said that he may consider stopping the exports of unprocessed raw materials, a measure that echoes similar economic policies in other nations in the region.

Mr. Duterte's comments

Monday, delivered during his annual state-of-the-nation address, were a setback for mining companies in the world's largest exporter of nickel ore, where firms had previously objected to what they saw as unfair attempts to require them to improve their environmental credentials.

The president, known for frequent inflammatory remarks and a top-down disciplinary style, said that he wanted to see all extracted mineral resources processed within the Philippines before being exported and that he would draft a new mining law to regulate the industry.

In addition to its leading role as an exporter of nickel, the Philippines has large reserves of gold, copper and chromite, among other metals and minerals.

Mr. Duterte lashed out at the mining industry's environmental record and its adherence to tax regulations. "The protection of the environment must be made a priority over mining," he said. "This policy is nonnegotiable."

He threatened companies that don't shoulder a fair tax burden. "Declare your correct income. Pay your correct taxes. Your failure to do so will be your undoing and your

eventual ruin," he said.

Three-month nickel prices on the London Metal Exchange rose about 1.2% to \$9,640 a ton in early European hours. Nickel is mainly used in the manufacture of stainless steel.

The president's suggestion of possible measures echo those of Indonesia, another large raw-material exporter.

In 2014, the government in Jakarta sought to move Indonesia up the value chain by forcing mining companies to refine their products before they are exported.

The move kicked off a bitter battle with the industry, in-

Please see NICKEL page A4

Parents Drop Fight Over Ill Child



LETTING GO: Chris Gard and Connie Yates, the parents of Charlie Gard, a terminally ill 11-month-old, abandoned an effort to take the boy outside the U.K. for experimental therapy. **A5**

TOBACCO'S LEGAL FOES TARGET OPIOID MAKERS

Lawyer Mike Moore encourages states to sue over painkiller epidemic

By JEANNE WHALEN

The legal front widening against makers of opioid painkillers has something in common with landmark tobacco litigation of the 1990s: attorney Mike Moore.

As Mississippi's attorney general in 1994, Mr. Moore filed the first state lawsuit against tobacco companies, saying that they harmed public-health systems by misrepresenting smoking's dangers. He helped marshal the subsequent spate of state litigation and then the negotiations that led to a \$246 billion settlement.

Now Mr. Moore is a private attorney encouraging states to sue pharmaceutical companies, alleging they helped spark an addiction crisis by misrepresenting the benefits and addiction risks of opioid painkillers.

Mr. Moore pressed Mississippi and Ohio to sue drugmakers and is helping them with the suits they have since filed. The affable

65-year-old is tapping coalition-building skills he honed in the tobacco litigation to urge other states to sue, too. Recently two additional states, Missouri and Oklahoma, filed suits.

"When he's motivated, you don't want to be on the other side," said James Tierney, a former Maine attorney general who later worked with Mr. Moore during the tobacco wars.

Mr. Moore is among many tort lawyers flocking to help government bodies seek damages from makers of opioid painkillers. More than a dozen cities and counties are suing, in addition to the four states, assisted by outside attorneys who include Paul Hanly Jr. of Alton, Ill.-based Simmons Hanly Connolly LLC and Linda Singer and Joe Rice of Motley Rice LLC, based in Mount Pleasant, S.C.

Like Mr. Moore, Mr. Rice has strong ties to the tobacco litigation, having been out-

Please see MOORE page A8

A Vasectomy Doesn't Have to Be a Sterile Affair

* * *

Pals throw 'brosectomy' parties with snacks, TV and booze

By HARRIET TORRY

Businessmen Rob Ferretti and Jeb Lopez skipped work for a day of booze, steaks and prescription drugs at a hideaway outside Washington, D.C.

The two pals, married with children, made a convivial—and somewhat vulgar—video as they drank and giggled away the hours before heading home. Neither man could drive afterward, but their wives were remarkably supportive.

Mr. Ferretti, 36 years old, and Mr. Lopez, 44, had enjoyed themselves under the supervision of a doctor for what some are calling a brosectomy—a vasectomy with friends in a cushy setting of couches, snacks, big-screen TV, and in some clinics, top-shelf liquor.

"We thought it was going to be painful," said Mr. Lopez,

who described the procedure as feeling like the sting of a rubber band. "After that, we were just laughing, I guess it's from the alcohol, but we had such a great time."

An ice pack

Hundreds of thousands of American men get vasectomies each year, according to the American Urological Association. Typically, the procedures cost about \$500. But gregarious types willing to spend a few thousand dollars

are getting the procedure done together at clinics that look more like club lounges.

"We felt that if it looks sterile, like a doctor's office, then guys wouldn't feel as comfortable," said Shane Geib, the urologist who snipped Messrs. Ferretti and Lopez.

Leather sofas, TVs and wood paneling at Dr. Geib's Obsidian Men's Health in Tysons Corner, Va., help put patients at ease, he said.

Urologist Paul Turek, who has clinics in Beverly Hills, Calif., and San Francisco, said group vasectomies are a growing trend. When a group arrives, he closes the office in order to accommodate the men comfortably.

A limousine recently delivered a group of biotech em-

ployees from the same firm, he said. With jazz playing in

Please see PARTY page A8

Samsung Enters U.S. Drug Market

By TIMOTHY W. MARTIN
AND JONATHAN D. ROCKOFF

Americans suffering from arthritis can now look for relief from an unexpected new player in the pharmaceuticals market.

South Korea's Samsung conglomerate, known for its smartphones and televisions, planned to make available on Monday in the U.S. its lower-price copy of Johnson & Johnson's blockbuster rheumatoid-arthritis drug Remicade, the second such alternative on the market. The Samsung-developed drug will be marketed to health-care providers by Merck & Co.'s U.S. sales team and will be sold for about a 35% discount off Remicade's current list price.

The move follows an April

approval by the Food and Drug Administration. It is the Samsung business empire's debut treatment in the world's biggest drug market and reflects Samsung's desires to diversify beyond electronics.

Samsung Bioepis Co., the group's new biotechnology company, is targeting the creation of near replicas of so-called branded biologic drugs, like Remicade, which are made out of living cells and address complex diseases including cancer or arthritis. These "biosimilars" are sold more cheaply than brand-name treatments that often cost tens of thousands of dollars a year.

The lucrative biologic drug market will gradually open up as patent protections of those

Please see DRUG page A2

WORLD NEWS



PAP/EPA/PAWEŁ SUPERNIAK/EUROPEAN PRESSPHOTO AGENCY

President Andrzej Duda announcing on Monday in Warsaw his intention to veto two laws pushed by his Law and Justice party, saying they 'would not strengthen the sense of security and justice.'

Polish President to Veto Court Overhaul

Defying his own party, Andrzej Duda says he won't approve law to retire Supreme Court

By DREW HINSHAW
AND WIKTOR SZARY

Poland's President Andrzej Duda said Monday he would veto legislation passed by parliament that would have forced the entire Supreme Court into retirement, in a surprise move that bucked his own party while handing a victory to Poland's pro-democracy protesters.

After days of demonstrations in nearly all major cities, Mr. Duda announced he wouldn't sign two of the three laws that, taken together, would have given Poland's populist ruling party, Law and Justice, considerable control over the country's judiciary.

"This reform, in this shape, would not strengthen the sense of security and justice" in Poland, he said.

The legislation had drawn the ire of European Union leaders, who warned the measures it set forth would erode the rule of law in Poland's post-Communist democracy. Many of the tens of thousands of

Poles who protested believed action from the EU would be decisive in pressuring the government to back down.

The debate in Brussels, however, has moved more slowly than the reaction in Poland itself. The EU's executive branch was set on Wednesday to discuss legal procedures that could lead to fines against Poland after the country's leaders repeatedly rebuffed EU attempts to start a dialogue. But those actions would have taken months to bear fruit. Bolder steps such as stripping Poland of funding or its voting rights would have ultimately required the consensus of all 27 other EU members, making them unlikely.

Meanwhile, Mr. Duda saw a more widespread alliance of opposition rise up. Dozens of university rectors, hundreds of Polish legal experts, top business lobbies and former anti-Communist dissidents all voiced reservations about the bills. The U.S. State Department also criticized the legislation, as did U.S. Senator John McCain. On Monday, prominent Catholic leaders, normally close to the ruling party, thanked Mr. Duda for his decision to veto the bills.

That broad chorus of opposition appears to have moved



Police officers detaining people during a protest near the Law and Justice party headquarters in Warsaw on Monday.

Mr. Duda to break with his party. In announcing his intention on Monday, he mentioned a conversation with Zofia Romaszewska, a 76-year-old anti-Communist dissident who was in Poland's 1980s Solidarity movement and has been close to the ruling party. The laws, she said, would return Poland to an era when courts took orders from the ruling party, as they did under Communism.

"I agree with all those who say that it should not be this way," the president said. "It would deepen the divisions in our society."

The first of the laws Mr. Duda said he would veto would have retired every judge on the Supreme Court except those exempted by the justice minister, who would have then been allowed to appoint their temporary replacements. A

second law, which he also said he would veto, would have given the justice minister and parliament the authority to choose most of the appointees charged with selecting new Supreme Court judges to replace those temporary judges.

The ruling party and the opposition agreed that the two laws would have amounted to a milestone for Poland. The Law and Justice party saw them as a means to purge the last of the country's officials who entered public life in the tainted Communist era. The opposition said the laws would have pushed Poland toward becoming an authoritarian-leaning democracy like Turkey or Russia, where leaders face few constitutional restraints.

Both factions said they were surprised by the veto announcement of Mr. Duda, a party loyalist who had never before so exerted his independence. Many protesters who rallied for days outside his office said they considered their efforts hopeless bid to inspire him to defy his party.

Mr. Duda, an obscure deputy justice minister who was put forward by Law and Justice leader Jaroslaw Kaczynski as the party's 2015 presidential candidate, had been seen as a mere figurehead for the

ruling party. A popular TV comedy show here lampoons the Polish president as forever stuck in Mr. Kaczynski's waiting room.

"I think this is maybe the beginning of a new Andrzej Duda, a new Polish president, an independent president," said Marcin Matczak, a law professor at the University of Warsaw. "We now have a better chance for a more balanced politics in Poland, and for separation of powers to remain."

Mr. Duda said he would sign a third law, which gives the ruling party more administrative powers over judges who preside over the country's lower courts. He also said he would like to help write legislation over the next two months aimed at overhauling the country's judiciary in what he called "wise reform."

The ruling party doesn't have enough votes to override their president's veto, but it promised more action ahead.

"Changes to the judicial system and Poland's justice system are necessary," said Stanislaw Karczewski, head of the upper chamber of the Polish parliament. "And they will be implemented."

—Laurence Norman in Brussels contributed to this article.

A large Breitling Avenger Hurricane watch is the central focus, shown from a side-on perspective. The watch has a black dial with multiple sub-dials and a tachymeter scale around the perimeter. The brand's signature winged logo is on the dial. The watch is attached to a dark, textured strap. In the background, the words "AVIENGER" and "HURRICANE" are written in large, stylized letters, with a five-pointed star between them. The overall aesthetic is rugged and professional.

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WORLD NEWS

Israeli Guard Kills 2 at Embassy in Jordan

Deadly response to Amman attack is likely to widen diplomatic rift between U.S. allies

An Israeli security guard at the country's embassy compound in the Jordanian capital, Amman, shot and killed two Jordanians after one attacked the guard with a

By **Rory Jones**
in Tel Aviv
and **Suha Ma'ayeh**
in Amman, Jordan

screwdriver, Israel said. The incident is likely to widen a diplomatic rift between the two key U.S. allies.

The news comes as Jordan and Israel spar over Israeli moves to tighten security at a Jordanian-administered holy site in Jerusalem after Arab gunmen shot dead two Israeli policemen there this month.

Jason Greenblatt, the White House envoy to the Israeli-Palestinian peace process, was expected to arrive in Israel on Monday to help defuse tensions after a weekend of violence over security at the site—known to Jews as the Temple Mount and to Muslims as the Noble Sanctuary—in which three Israelis and at least three Palestinians were killed.

The crisis underscores the tinderbox nature of the stalemate in Israel and the Palestinian territories as peace talks remain stalled, and marks the first major diplomatic test for Mr. Greenblatt, a lawyer turned political novice.

The Israeli security guard in Amman on Sunday opened fire on a Jordanian worker who had entered the embassy compound under the guise of replacing furniture but instead attacked the Israeli with a screwdriver, Israel's foreign ministry said.

The Jordanian assailant was killed. The landlord of the building, who was also present, was hit in the crossfire and later died of his



A Jordanian police officer stands outside Israel's embassy in Amman, where an Israeli guard shot dead two men after one of them attacked him with a screwdriver.

wounds, the ministry said.

Jordan confirmed a shooting incident via its state news agency but didn't say one of its citizens had attempted to attack the Israeli guard.

Jordan has barred the Israeli guard from leaving for Israel, Israeli media reports said.

A Jordanian foreign-ministry official wouldn't confirm the detention, but the country's public-security department said an investigation had been launched into the incident.

Israel was working with the Jordanian authorities, the Israeli foreign ministry said.

The guard was immune from investigation and imprisonment under the Vienna Convention, an international treaty that defines diplomatic relations between countries, it said.

Thousands of Jordanians took to the streets of Amman on Friday to protest Israel's installation of metal detectors at the Jerusalem shrine after a shooting incident the previous Friday at the compound left two Israeli policemen dead.

On Sunday it also introduced surveillance cameras at its entrance.

The moves, considered standard security measures by Israeli officials, have stirred widespread anger among Palestinians and Waqf, the Jordanian religious authority that administers the site.

The plaza in Jerusalem's Old City is holy to both Muslims and Jews, home of the Al Aqsa mosque and said to previously have been the site of two ancient Jewish temples.

But only Muslims are allowed to pray at the site, and although Jewish groups have been lobbying for that right, the Israeli government hasn't initiated any plans to change the status quo.

Waqf has called on Muslims not to visit the site until the cameras are removed. It accuses Israel of using such security apparatus to try to take control of the area, a charge Israel denies.

"The Jordanian government has to tone down its statements on the issue of Jerusalem," Oden Eran, the former Israeli ambassador to Jordan, told reporters on Monday. "The atmosphere is quite tense in Amman."

U.S. President Donald Trump appointed Mr. Greenblatt in December to lead efforts to make peace between Israelis and Palestinians. A

former lawyer with no diplomatic experience, he has made multiple trips to the region but hasn't outlined a definitive plan for restarting peace talks, frustrating some people on both sides.

The latest round of peace talks collapsed in 2014.

Former Secretary of State John Kerry flew into the region in late 2015 amid a similar simmering crisis over the Jerusalem compound, and persuaded Israeli Prime Minister Benjamin Netanyahu, Jordan's King Abdullah II and Palestinian leader Mahmoud Abbas to soften their rhetoric over the site.

Though tensions then calmed around the Temple Mount, there swiftly followed a spate of stabbing and shooting attacks by Palestinians against Israelis across the West Bank and Israel

over a number of months,

Mr. Abbas said this week that the Palestinian Authority would cut all ties with Israel until the Temple Mount issue is resolved, including cooperation around security matters.

The two sides coordinate information around potential terror threats and in tamping down protests or violence, measures that political analysts said would be difficult to cease.

Israel and Jordan have also increased security cooperation in recent years, particularly in the wake of an influx of Syrian refugees into Jordan and the expansion of Islamist sentiment in the country.

The two countries have begun cooperating further on economic issues, with Israel last year confirming it would export gas to its neighbor.

Deadly Suicide Attack Strikes a Minibus in Kabul

BY EHSANULLAH AMIRI
AND JESSICA DONATI

KABUL—A suicide bomber drove a vehicle packed with explosives into a minibus carrying government workers in the Afghan capital, killing at least 31 people and wounding dozens of others, the health ministry and police said.

The attack came amid intensifying violence across the country, as the Taliban, who claimed responsibility, have pressed attacks in more than half a dozen provinces and captured district centers in Ghor and Faryab.

The powerful explosion took place at rush hour on Monday, when shops were opening and children were headed to school.

The passengers on the minibus were employees of the Ministry of Mines, an Afghan police official said, but other civilians in the vicinity of the blast were among the

victims.

Minibuses shuttling employees to work in Kabul are an easy target for the Taliban and other extremist groups, who frequently attack Afghan civilians who work for the government and foreign organizations.

The insurgents have previously used similar methods to target staff working for the Canadian Embassy, the attorney general's office and Tolo News, the country's largest television broadcaster.

The Taliban claimed the minibus had been carrying Afghan intelligence officers. Security officials said the country's spy agency doesn't use minibuses to shuttle employees to work.

Monday's attack comes at a time of escalating violence in Afghanistan, as the Taliban have launched simultaneous assaults across the country, including in the provinces of

Faryab, Ghazni, Ghor, Helmand, Herat and Paktia, a spokesman said.

The Afghan government has ceded swaths of territory to the Taliban since most foreign troops withdrew in 2014, leaving fledgling local forces to fight with only limited U.S. military assistance.

The Afghan defense ministry on Monday said the situation was under control despite the increased pressure on its troops.

"This is war. If a check post collapses, that does not mean the whole country is collapsed. We have a system and we have a government," spokesman Dawlat Waziri said.

In recent months, the U.S. military has sought to prevent further territorial losses by dramatically increasing airstrikes in support of Afghan troops, as the Trump administration continues to debate a new strategy for the



Volunteers on Monday transported a man who was hurt in a suicide attack in Kabul for which the Taliban claimed responsibility.

16-year war.

Over the past week, at least two U.S. airstrikes have struck the wrong target, adding to public frustration with

the intensifying violence.

On Sunday, a U.S. airstrike killed least eight civilians attending a gathering after a funeral in eastern Nangarhar

province, local residents said.

In a separate incident on Friday, a U.S. airstrike in Helmand province accidentally killed at least 16 Afghan police officers.

In a sign violence is worsening, a United Nations report last week showed a surge in civilian deaths in Afghanistan in the first six months of 2017.

The U.N. recorded a rising number of casualties in Kabul, where the Taliban and a local branch of Islamic State have sought to carry out high-profile attacks to undermine a weak unity government that has been hobbled by internal rivalries and corruption.

On May 31, a massive truck bomb killed more than 150 people at the entrance to Kabul's diplomatic enclave, in the worst attack in the city since 2001.

—*Habib Khan Totakhil contributed to this article.*



NICKEL

Continued from Page One
cluding big foreign players such as U.S. mining company Freeport-McMoRan Inc.

Earlier this year, Indonesia relaxed the ban, allowing mining companies to export as long as they show progress toward building smelters in a five-year period. Many companies struggled to stump up the sizable amounts of money necessary to invest in smelters, which can take years to build.

The Philippine mining industry thought it had won a battle against Mr. Duterte's administration in May, when the president's nominated environment secretary, Gina Lopez, was rejected by a confirmation committee. Ms. Lopez put dozens of mines in the Philippines under review during her 10 months in office, threatening them with closure due to alleged violation of environmental regulations.

Her defeat, after sustained lobbying from the mining in-

dustry that questioned her technical understanding, was seen by her supporters as a win for big business over the interests of consumers and the environment.

Nickel prices surged last year at around the time Ms. Lopez took office. The Philippines also exports other metals such as copper and gold. The majority are exported unrefined.

In his speech, Mr. Duterte also addressed his bloody anti-narcotics campaign, a hallmark of his presidency that has put him under fire from human rights groups and foreign governments. Thousands of people have died in the year since he took office, most killed during drug bust operations by police or by suspected vigilantes.

Mr. Duterte said he has resolved "that no matter how long it takes, the fight against illegal drugs will continue because that is the root cause of so much evil and so much suffering that weakens the social fabric and deters foreign investments from pouring in."

President Duterte has accused miners of not paying taxes correctly and harming the environment. Above, officials at a mine in the south.

WORLD NEWS



An Awacs aircraft and F-16 Fighting Falcon jets fly over NATO headquarters in Brussels for a summit's opening ceremony in May.

Turkish-German Disputes Threaten NATO Mission

By JULIAN E. BARNES
AND EMRE PEKER

BRUSSELS—The North Atlantic Treaty Organization is working urgently to defuse a dispute between Turkey and Germany that threatens its operations including counterterrorism missions in the Middle East.

The deepening political divide risks curtailing NATO surveillance flights over Turkey from an air base in Konya if German lawmakers aren't granted access to personnel stationed at Konya, in central Turkey. German officials argue the visits are part of a mandate governing German military deployments abroad.

Last month Berlin ended German operations from nearby Incirlik air base, relocating troops to Jordan, after Ankara blocked a visit by German lawmakers.

Other NATO members and allies including the Netherlands, the U.S. and Austria have also gotten into their own spats with Turkey, unsettling relations inside the 29-country alliance.

NATO Secretary General Jens Stoltenberg last week was in contact with the Turkish and German foreign ministers seeking a compromise in

the current dispute, a NATO official said.

On Monday, NATO announced a compromise that the German legislators visit the Konya base as part of a NATO delegation, spokesman Piers Cazalet said. Turkish officials didn't respond to requests for comment, but German lawmakers welcomed the NATO proposal.

NATO diplomats want to keep the German contingent at Konya because Germany provides roughly one-third of the air crew for the NATO Awacs surveillance planes. NATO isn't directly involved in fighting Islamic State but provides valuable surveillance and air-traffic management to NATO member forces.

NATO is no stranger to quarrels between members, mainly border disputes, but has long managed to limit them. The latest disagreements are different, current and former NATO officials say. Turkey and its NATO allies are now sniping over fundamental policy issues including human rights, designations of terrorist organizations and decisions on how to fight Islamic State.

The situation is alarming, NATO officials and diplomats said. "We cannot afford to have disagreements destroy

what has been created over decades to preserve security," said Lithuanian Foreign Minister Linas Linkevičius, an advocate for accommodating Turkey. "Let's go and talk."

Turkey's relations inside NATO have deteriorated since a failed coup attempt. President Recep Tayyip Erdogan responded with a crackdown that expanded from coup-plotters to opposition lawmakers, journalists, academics and human-rights advocates.

Some NATO members are increasingly critical of how Mr. Erdogan has consolidated power. Mr. Erdogan has responded by attacking NATO allies for supporting Kurdish and other terrorist organizations hostile to Turkey.

Turkish officials have leveled similar criticism at the U.S., a longtime Turkish ally. An adviser to Mr. Erdogan last year suggested a ban on U.S. operations from Incirlik over Washington's support for Syrian Kurdish forces that Ankara considers terrorists.

U.S. officials have played down the rift, saying relations are strong out of public view. Still, the publication last week by a Turkish state-run news agency of a map purportedly showing the locations of U.S. forces deployed in Syria drew

a warning from the **Pentagon**.

Wrangling with Turkey is being intensified by domestic politics in some European countries. Germany holds national elections in September and Austria one month later.

NATO in May delayed exercises with all of its partners due to a dispute between Turkey and Austria after Austrian politicians criticized Mr. Erdogan. NATO agreed to Turkey's demands to put on hold its relationship with Austria, which is not a member.

Former NATO Deputy Secretary-General Alexander Vershbow said the latest fights are particularly difficult because many are rooted in Mr. Erdogan's belief that he and his country are being slighted by Europe. The Turkish president has repeatedly criticized NATO allies for being slow to condemn the coup and offer him their support.

"It got much more personal," said Mr. Vershbow, a senior adviser at Rasmussen Global, a consulting firm run by previous NATO Secretary-General Anders Fogh Rasmussen. "That is what is different from some of the substantive issues of past."

—Ned Levin in Istanbul and Andrea Thomas in Berlin contributed to this article.

Parents Abandon Legal Fight Over Ill Infant's Care

By JOANNA SUGDEN

LONDON—The parents of Charlie Gard abandoned their legal fight to take the terminally ill 11-month-old abroad for experimental therapy, ending a challenge to doctors who want to switch off his ventilator and give him end-of-life care.

An attorney for Chris Gard and Connie Yates told the High Court that for Charlie the possible treatment was "too late" now because so much irreversible damage had been done to his muscles by his rare mitochondrial disorder.

Fighting back tears, Ms. Yates stood in the witness stand with Mr. Gard and told the court their choice was the hardest they would ever have to make. "To let our sweet little Charlie go," she said.

The baby's case captured international attention in recent weeks after both President Donald Trump offered to help him and Pope Francis said Charlie should be treated.

Charlie can't move his limbs, is unable to see or hear and his brain is failing to grow, doctors said. An experimental treatment, known as nucleoside therapy, has been used to treat patients with similar but less-severe dis-

eases than Charlie's and hasn't been tested on mice or humans with his illness.

His parents had argued that he doesn't have irreversible brain damage. Still, they decided to withdraw their appeal after new scans showed his muscular damage was worse than feared and he wouldn't benefit from treatment.

Ms. Yates said she and Charlie's father believe he isn't brain dead and that if he had started the new therapy months ago he would have had a better chance. "A whole lot of time has been wasted," she said. "Charlie did have a real chance of getting better if it was started sooner."

Dr. Michio Hirano of Columbia University Medical Center New York, who is described as a world expert in disorders of Charlie's type, met the baby for the first time last week and reviewed his medical records including brain scans.

Great Ormond Street Hospital, where the boy has been in intensive care since October, has said he was likely in pain and his brain damage was irreversible. The couple will now go through mediation with Great Ormond Street to decide how to proceed with end-of-life care for Charlie, Judge Nicholas Francis said.



Connie Yates and Chris Gard, Charlie Gard's parents, arrived hand in hand at the Royal Courts of Justice in London on Monday.

CARL COURT/GT/GETTY IMAGES

WORLD WATCH

SOUTH KOREA

Seoul Counters U.S. Offer on Trade Pact

South Korea, in its first official written response to the U.S. offer to discuss changes to a five-year-old free-trade agreement criticized by President Donald Trump as widening the American deficit, said that both sides should first jointly look into the causes of the trade imbalance before seeking to amend or renegotiate the pact.

The agreement, known as Korus FTA and the second-largest U.S. deal by trading volume, has become a source of tensions between the two allies facing a military threat from North Korea, which is rapidly advancing its nuclear and missile programs.

In a reply Monday to U.S. Trade Representative Robert Lighthizer's July 12 letter proposing to hold talks in Washington on "possible amendments and modifications" to the pact, South Korea's new minister of Trade, Industry and Energy, Paik Ungyu, suggested that the U.S.-proposed special session of "the Joint Committee discuss how best to work together to objectively examine, analyze and assess the effects of the Korus FTA" since it took effect in 2012.

"As the most recent and advanced trade agreement of the United States to take effect in the Asia-Pacific region, we consider that the Korus FTA has not only produced economic benefits for both countries but also significantly contributed to strengthening America's engagement and strategic leadership in the region," Mr. Paik said in the letter.

—Kwanwoo Jun

SWITZERLAND

Police Hunt for Chainsaw Attacker

A man armed with a chain saw injured five people in an at-

tack at a health insurer's office Monday in the northern Swiss city of Schaffhausen, police said, triggering a manhunt for a suspect described as aggressive and psychologically unstable.

The suspect, identified as Franz Wrousis, 51 years old, has two convictions for weapons offenses and no fixed residence, authorities said.

The attacker injured two insurance-agency employees in their ground-floor office in the old town of Schaffhausen on Monday, said Christina Wettstein, a spokeswoman for insurer CSS.

Police said one of the CSS employees was seriously injured and the other was slightly injured. Another three people were slightly injured in the attack, police said, but there was no information on them.

The perpetrator had fled by the time police arrived. Authorities sealed off the city's old town until midafternoon but kept up their manhunt.

Police ruled out terrorism.

—Associated Press

Four Killed, 11 Hurt In Disco Shooting

Two men and two women were shot dead as they sat in front of a discotheque in the Paraguayan border town of Pedro Juan Caballero, an attack that police said appeared to be related to drug trafficking.

The area, which borders the Brazilian town of Ponta Pora, is a transit point for narcotics.

"The two male victims belonged to a criminal gang. They were the targets of the shooting. But others were hit, including the two women who died and others who have been hospitalized," Paraguayan prosecutor Oscar Samuel Valdez told a local radio station.

—Reuters

Eurozone Economy Slowed in July

By PAUL HANNON

A survey of businesses showed economic growth eased in the eurozone in July, an indication that performance in the second half of the year may not be as strong as it was in the first.

The currency area has been one of the positive surprises this year, as it outpaced the U.S. in the first quarter and appeared to have accelerated further in the three months to June.

Reflecting that surprising strength, the International Monetary Fund on Sunday raised its growth forecast for 2017 to 1.9% from 1.7%, even as it cut its forecast for the U.S. to 2.1% from 2.3%.

The unexpected acceleration has brought the European Central Bank's stimulus measures into focus, with policy makers set to consider whether to extend a bond-buying program, and if so at what scale, in September or October. Speaking Thursday, ECB President Mario Draghi said

the currency area is "finally experiencing a robust recovery."

However, a survey of purchasing managers at 5,000 manufacturers and service providers across the currency area suggests the recovery may already have peaked.

Data firm IHS Markit on Monday said its composite Purchasing Managers Index for the eurozone fell to 55.8 in July from 56.3 in June. That was below the 56.2 reading expected by economists who were surveyed by The Wall Street Journal last week, and a six-month low. A reading above 50.0 signals an increase in activity, while a reading below 50.0 signals a decline.

The decline in the composite PMI follows the release of a survey by the European Commission, the European Union's executive arm, Thursday that showed consumer confidence fell off in July for the first month since February.

The decline in the PMI is unlikely to signal the start of a sharp slowdown, since the

surveys found that new orders remain strong and businesses are continuing to hire. But it does suggest growth may moderate, while remaining above the rates that were typical of the four-year recovery until the start of this year.

One potential drag on growth over the second half of the year is the euro, which has gained over the weeks since Mr. Draghi hinted in a June speech that the ECB may soon consider a reduction in its bond purchases, a stimulus program known as quantitative easing.

The survey of purchasing managers recorded few signs of unease over the currency's gains, and instead found that the growth of export orders had remained "robust."

There are also some reasons to expect growth may speed up again as the year progresses, with German elections due in September marking an end for this year at least to a busy schedule of votes that confronted businesses with high levels of un-

certainty about the outlook for economic policy.

"Near term, there is the possibility of even stronger growth in continental Europe, as political risks have diminished," said Maurice Obstfeld, the IMF's chief economist.

The survey of purchasing managers also indicated that inflationary pressures remain weak, as businesses raised their prices at the slowest pace since January. Speaking Thursday, Mr. Draghi said the central bank would be motivated by the desire to reach its inflation target, rather than settle for stronger growth and lower unemployment without meeting that goal.

"The slowing pace of economic growth signaled by the surveys and the accompanying easing of price pressures adds to the belief that ECB policy makers will be in no rush to taper policy, and will leave options open until the central bank sees a clearer picture of the sustainability of the upturn," said Chris Williamson, chief economist at IHS Markit.



Truck cabins at the MAN plant in Munich, Germany. The IHS Markit survey said that eurozone export-order growth was 'robust.'

MICHAEL REHLE/REUTERS

U.S. NEWS

Uncertainty Shrouds Health-Care Bill

A coming vote could allow debate on a plan to replace ACA or a move to only repeal it

WASHINGTON—Senate Republicans are expected to vote as early as Tuesday to begin debate on their sweeping health-care legislation—but they don't know yet what measure they will be voting on.

By Natalie Andrews,
Stephanie Armour
and Kristina Peterson

Some senators said Majority Leader Mitch McConnell (R., Ky.) has told them they would know before the vote whether they would be asked to allow debate on some version of a bill to repeal and replace the Affordable Care Act, or legislation that would repeal the ACA with a two-year expiration date.

GOP leaders' current strategy is to lean heavily on lawmakers to at least vote to allow debate on the bill, in the hopes that amendments and other tweaks could yield an agreement.

But the plan carries some risk. If the "motion to proceed" fails, it would mark a defeat for President Donald Trump and congressional Republicans, and could end their current efforts to overhaul the ACA, also called Obamacare, a seven-year Republican campaign promise.

There has been little evidence that senators who opposed the latest version of the bill earlier this month have re-



The challenge for Senate Majority Leader Mitch McConnell, right, is that he can afford to lose no more than two Republican senators.

versed course.

Sen. Rand Paul (R., Ky.), a leading conservative, dismissed the Republican bill Sunday on CNN's State of the Union as a "porkfest" that bails out insurers. He said he would vote to begin debate as long as there would be an opportunity to vote on a repeal measure.

Mr. McConnell's challenge is that with a narrow 52-48 majority, he can afford to lose no more than two Republican senators, with Vice President Mike Pence breaking a 50-50 tie if necessary.

Sen. John McCain (R., Ariz.) announced recently he has

brain cancer, and the timing of his return to Congress remains uncertain, making the math even more precarious.

Mr. McCain tweeted on Friday that he would "support whatever health-care plan" Arizona Gov. Doug Ducey, a Republican, endorses. Mr. Ducey criticized a version of the GOP health plan in June for not doing enough to help his state's Medicaid population.

Republican leaders are urgently trying to win back defectors among the conservative and centrist wings of their party. Negotiations with centrists like Shelley Moore Capito

of West Virginia, for example, are focusing largely on possible changes to soften the impact of the bill's Medicaid cuts, but so far none of the holdouts have announced a change of heart.

Sen. Bob Corker (R., Tenn.), who supports opening debate, said recently he was concerned about Republican leaders' moves to appease the reluctant senators.

"It's feeling like a bazaar, like ... we're throwing money in a lot of different directions but potentially not moving in a place that's coherent," Mr. Corker told reporters recently. Sen. Susan Collins (R.,

Maine) said on Sunday on CBS's Face the Nation that senators had no idea what they would be voting on Tuesday. "I don't think that's a good approach to facing legislation that affects millions of people and one-sixth of our economy," she said, calling for hearings on the bill.

Mr. Trump, urging Republicans to unify, tweeted Saturday that "The Republican Senators must step up to the plate and, after 7 years, vote to Repeal and Replace."

The president was scheduled to travel to West Virginia on Monday with Ms. Capito, but

the audience is 40,000 Boy Scouts and it is unclear if he will talk about health care. Republicans say their effort, which aims to cut back on the ACA's insurance regulations and significantly cut the Medicaid program, would lower premiums and give consumers more choice.

Democrats say it would leave many more Americans uninsured. The nonpartisan Congressional Budget Office estimated that under the GOP bill, about 22 million fewer people would have coverage by 2026 relative to the current law, and a repeal bill would leave an estimated 32 million fewer people insured.

Democrats are criticizing both the process and the content of the Republican effort, including the fact that no female senators were included in an initial GOP Senate working group, though Mr. McConnell later broadened the conversation to include all 52 Senate Republicans. Three female GOP senators—Ms. Collins, Ms. Capito and Lisa Murkowski of Alaska—have since emerged as strong opponents of the repeal-only option.

"It was a pretty stupid thing to just put men in that room. That likely comes with consequences," said Sen. Chris Murphy (D., Conn.).

Other GOP women senators noted that not all of them were opposing the procedural motion.

"Three out of five. Two of us aren't," said Sen. Deb Fischer (R., Neb.), referring to herself and Sen. Joni Ernst of Iowa.

Sessions Focus of Trump Tweet

By REBECCA BALLHAUS

President Donald Trump on Monday referred to Attorney General Jeff Sessions as "beleaguered," in one of a series of tweets in which he criticized the current probes of Russian meddling in the 2016 U.S. election.

Mr. Trump expressed displeasure with his attorney general last week, telling the New York Times in an interview that he wouldn't have appointed Mr. Sessions to his job if he had known he would remove himself from the investigation into Russian meddling in the 2016 election.

Mr. Trump has called the Russia investigation a "witch hunt" driven by Democrats to explain losing the White House in November. On Monday, he hit at that theme, calling the probes a "Dem loss excuse."

Mr. Trump's reference to his attorney general comes days after the Washington Post reported that Russian Ambassador Sergei Kislyak told his superiors in Moscow that he had held campaign-related discussions with Mr. Sessions during the campaign. Mr. Sessions has denied doing so.

Mr. Sessions, an early and vocal supporter of Mr. Trump, last week deflected the criticism from Mr. Trump and said he planned to stay in the job "as long as that is appropriate."

Mr. Trump's comments and tweet mark the latest chapter in a series of tensions between the president and his attorney general, who earlier this year offered to resign over Mr. Trump's frustration about his decision to recuse himself from the Russia probe.

Mr. Trump's tweets come amid a probe into whether Trump campaign associates colluded with Russia in last year's presidential election. Mr. Trump has denied that any campaign associates colluded with Russia. Moscow has denied interfering in the election.

Mr. Trump's son-in-law, Jared Kushner, on Monday was speaking with the Senate Intelligence Committee—his first time speaking with congressional investigators—and earlier in the day denied any collusion as he released a list of his contacts with Russians in the past two years, including a previously undisclosed meeting with Mr. Kislyak in April 2016.

Democrats Pitch Populist Election Agenda

By NATALIE ANDREWS

Democrats are launching a new policy agenda focused on the economy that seeks to bridge gaps with voters amid polls showing most Americans don't know what the party stands for.

The proposals are in large part a response to Hillary Clinton's demoralizing presidential-election loss to Donald Trump, Senate Minority Leader Chuck Schumer said Sunday, adding that his party was too cautious and "nambypamby" in 2016.

"When you lose an election with someone who has, say, 40% popularity, you look in the mirror and say, 'What did we do wrong?'" the New York senator told ABC. "And the number-one thing that we did wrong is we didn't tell people what we stood for."

The agenda, dubbed "A Better Deal" and scheduled to be rolled out Monday, is the

result of months of polls and research. Democrats planned to hold an event in the district of Rep. Barbara Comstock, a Virginia Republican sitting in a district that Democrats see as vulnerable in 2018.

With a focus on winning congressional seats next year, the Democrats' new agenda has a distinctly populist tone, though it includes ideas the party's centrists can get behind as well, such as lower prescription-drug costs and improved access to broadband in rural areas. It also calls for a \$15-an-hour minimum wage and more regulation of Wall Street.

Sen. Bernie Sanders (I., Vt.) called for the \$15 minimum wage during the presidential campaign, a higher rate than urged by Mrs. Clinton.

Among the most vexing issues for Democrats and Republicans is health care, given the widespread agreement

that former President Barack Obama's Affordable Care Act can be improved and amid the GOP's struggle to craft a replacement.

"Many things are on the table," Mr. Schumer said. "Medicare for people above 55 is on the table. A buy-in to Medicare is on the table. Buy-

in to Medicaid is on the table. On the broader issues, we will start examining them once we stabilize the system."

Medicare is the health-care program for people age 65 and older, while Medicaid serves the poor and disabled.

The question is whether

the "Better Deal"—an echo of Franklin Roosevelt's "New Deal"—can unite the Democratic factions against a party led by a president who wrote "The Art of the Deal."

The Democrats' plan will compete in the political arena against House Republicans' "Better Way" agenda, which promotes conservative proposals such as deregulation and a hawkish national-security stance.

Beyond public statements and rollouts, Democrats have debated since the election whether to move in a more populist direction, in a nod to the success of Messrs. Trump and Sanders, or to focus on turning the traditional Democratic base that powered Mr. Obama to two victories.

"It will only be as good as we are disciplined," said Sen. Chris Murphy (D., Conn.). "Our failing historically has been to focus on very targeted demographic messages, cultural is-

sues, rather than broad-based economic themes."

Republicans hold a narrow 52-48 lead in the Senate. But they have few vulnerable members in that chamber, while 10 Democratic senators are facing re-election campaigns in states Mr. Trump won.

In the House, Democrats would need to take 24 seats to win the majority. To do that, the party is targeting 23 districts that Mrs. Clinton won as a starting point, as well as hoping to pick up ones that Mr. Trump won by a slim margin.

The Republican Senate campaign committee is fundraising off of the Democrats' announcement, saying in a news release that "Democrats are struggling to find a message, but even if they do finally find a message that works, the odds of a Democrat-controlled Senate are still slim."

Veterans Groups Oppose Funding Proposal

By BEN KESLING
AND PETER NICHOLAS

Veterans advocacy groups launched a campaign over the weekend against a congressional funding proposal for the Department of Veterans Affairs in the latest confrontation with Congress amid an intensifying debate about the role of privatization in the future of the department.

Eight groups, including some of the largest veterans organizations in the country, called on House members in a letter to scrap plans that would plug funding gaps in a program that provides veterans with private-sector health care by drawing on funding from elsewhere in the department.

"We oppose legislation that includes funding only for the 'choice' program which provides additional community care options, but makes no investment in VA and uses 'savings' from other veterans benefits or services to pay for the choice program," said the letter from a coalition of veterans advocacy groups sent to lawmakers on Saturday.

Despite the opposition, House GOP leaders have scheduled a vote on the proposal for Monday.

The House plan would provide \$2 billion for approximately six months of stopgap funding for what's known as the Veterans Choice Act, a program first passed in 2014

and designed primarily to help veterans obtain health care in the private sector when appointments aren't available at government-run medical centers. The Choice Act is likely to run out of funding sometime after Aug. 7 because of high numbers of appointments, according to VA Secretary Dr. David Shulkin, but legislation to replace it has yet to be introduced, leaving stopgap funding as one of the few options.

Dr. Shulkin and House Veterans Affairs committee leaders have said they hope to introduce legislation in the fall that would overhaul and replace the current version of the program. They have also said they oppose plans to privatize the VA, while moving to expand veterans' ability to seek care in the private sector.

Some of the veterans groups opposing the current funding proposal say the expansion of private-sector appointments is tantamount to gradual privatization.

Since January, the VA has authorized more than 8 million appointments in the private sector, 2.6 million more than the previous year, or a nearly 50% year-over-year increase, Dr. Shulkin testified before a Senate panel in late June. With this increased use of private-sector appointments, the Choice program has used more money than anticipated, leading to budget

shortfalls and what backers call the need to inject additional funding as soon as possible.

"The chairman's priority is making sure the Choice fund doesn't run dry because of the real and disastrous effect it would have on veterans' health care," said Tiffany Haverty, spokeswoman for Rep. Phil Roe (R., Tenn.) the chairman of the House Committee on Veterans' Affairs.

Veterans groups, including Veterans of Foreign Wars and

Vietnam Veterans of America, issued their letter over the weekend opposing the decision, saying the funding boost would only benefit the Choice program, which pays for private-sector appointments but doesn't build the VA's ability to treat patients within the system, and it does so by drawing funds from elsewhere within the VA.

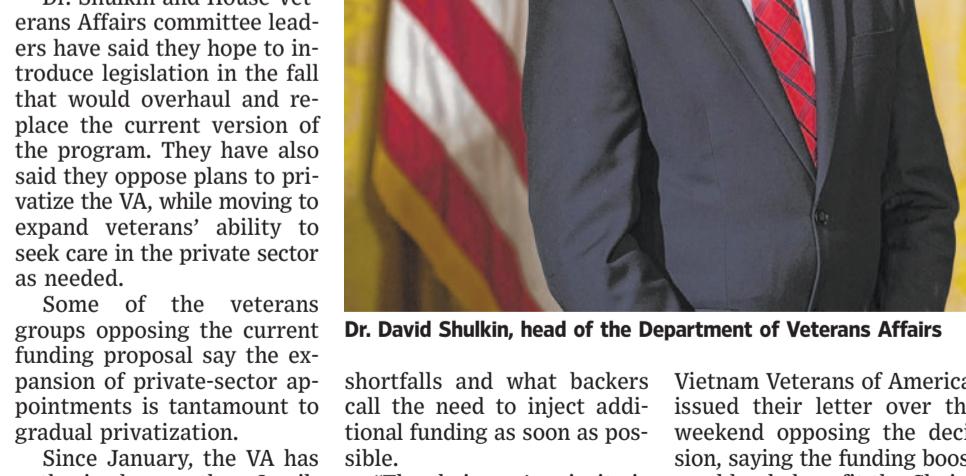
CHERISS MAY/NURPHOTO/ZUMA PRESS

The VA didn't respond to a request for comment.

The funding issue is the second within a week that has

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The Veterans Choice Program isn't perfect, but many veterans depend on it to access care in the private sector when the VA fails them," said Mark Lucas, the group's executive director in a statement Monday. "It's critical that Congress take decisive action to keep the choice program afloat until more permanent choice reforms are in place."



Dr. David Shulkin, head of the Department of Veterans Affairs

Mr. Shulkin's reference to his attorney general comes days after the Washington Post reported that Russian Ambassador Sergei Kislyak told his superiors in Moscow that he had held campaign-related discussions with Mr. Sessions during the campaign. Mr. Sessions has denied doing so.

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U.S. NEWS



TY WRIGHT/BLOOMBERG NEWS
Seagulls flew overhead as a shrimper sorted the day's catch on a shrimping boat off the coast of Grand Isle, La., in October 2014.

Gulf Narrows for Shrimpers

Bigger-than-usual 'dead zone' forces further travel and could pinch profits

BY ARIAN CAMPO-FLORES

Gulf Coast shrimpers are having to travel farther to catch their harvest amid projections that the annual "dead zone"—an oxygen-deprived swath in the Gulf of Mexico caused by nutrient pollution and devoid of marine life—could be one of the largest on record.

"It's devastating for us and our fisheries," said Acy Cooper Jr., president of the Louisiana Shrimp Association and a lifelong fisherman. "It kills everything in the water."

Further travel, either east toward the waters off Mississippi or closer to the coast to find suitable spots, causes

fishermen to crowd into more-limited areas and requires higher fuel expenses. The catch also tends to come in smaller. That lowers prices and hurts profits for fisherman, pinching an industry that accounts for 15,000 jobs and an annual economic activity of \$1.3 billion, according to the Louisiana Seafood Board.

The dead zone is the result of runoff of fertilizers from farms up the Mississippi River combined with treated sewage from urban centers that is released into waterways. When those flows of nutrients reach the Gulf of Mexico, they stimulate the growth of algae, which sinks and decomposes in the ocean in a process that consumes oxygen.

The resulting hypoxic, or low-oxygen, zone, which typically lasts through the fall, can kill stationary marine life like oysters and prompt mobile species like fish and

shrimp to flee. A research team including the Louisiana Universities Marine Consortium is setting out this week to conduct an annual study to measure the dead zone more precisely.

A task force has sought to reduce the influx of nutrient pollution into waterways.

In May, the U.S. Geological Survey recorded large flows of water and high levels of nutrients in the Mississippi and Atchafalaya River system—a gush equivalent to about 2,800 train cars of fertilizer pouring into the Gulf.

As a result, the agency, along with the National Oceanic and Atmospheric Admin-

istration, predicted that this summer's dead zone would be the third-largest since monitoring began 32 years ago, an area roughly the size of New Jersey sitting off the coast of Texas and Louisiana.

A study released in January that was funded by NOAA and led by Duke University found that the Gulf dead zone results in fishermen catching more small shrimp, making them cheaper, and fewer large ones. A reduction in the volume of more-prized large shrimp could lead to a net economic loss for fishermen, the study said.

The area covered by recent dead zones was prime fishing ground in the 1960s, said Alan Lewitus, supervisory oceanographer at NOAA. As the use of fertilizer grew in subsequent decades, hypoxia occurred more frequently, he said.

Since the mid-1990s, the size of the dead zone has fluctuated year to year. The largest was in 2002, when it measured 8,497 square miles—about 300 miles greater than the size projected for this year—according to data from the Louisiana Universities Marine Consortium and others.

A Hypoxia Task Force made up of federal and state agencies has sought to reduce the influx of nutrient pollution into waterways. But officials have said it would take until 2035 to achieve the goal of reducing the size of the dead zone to less than 2,000 square miles.

That date is too distant for Mr. Cooper and his fellow fishermen. The dead zone "gets bigger and bigger," he said. "Instead of talking about it, we need to start doing something about it."

18 feet of water, tests water quality daily and emails results four hours later—far faster than a ship-based system in which scientists take weekly samples and get results two days later.

"We are going to be able to provide much better data faster and earlier," said National Oceanic Atmospheric Administration molecular ecologist Timothy Davis, who leads an algal bloom monitoring team.

Scientists use satellites to spot blooms and models to forecast their path, but water testing is key because a bloom's size doesn't directly equate to its toxicity, said aquatic ecologist Tom Johenigen, associate director of the

University of Michigan's Cooperative Institute for Great Lakes Research.

Similar devices operate off the U.S. East and West coasts to protect the shellfish industry. Scientists say the Lake Erie lab, roughly 3 feet by 2 feet and sealed in a frame, is the only one deployed to safeguard drinking water. Two more will be launched in the lake next year for testing and should be in regular service in 2019.

"We welcome any new tool that provides additional information that helps our water-treatment professionals get a jump start on the treatment process," said Toledo Mayor Paula Hicks-Hudson.

—Scott Calvert

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A key goal is to avoid a recurrence of the 2014 crisis when a cyanobacteria bloom shut down the drinking-water supply to more than 400,000 residents in the Toledo, Ohio, area for about two days.

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IN DEPTH

MOORE

Continued from Page One
side counsel to two dozen states and a lead negotiator in the settlement talks. Mr. Rice said he expects attorneys helping with opioid litigation to stay in close touch with each other, just as in the tobacco suits. In many cases they stand to win up to 25% of settlements or judgments.

Government bodies' use of outside lawyers to sue for damages is criticized by the suits' targets and by some conservative voices in the legal profession, who say the states are improperly outsourcing law-enforcement powers to firms that have a profit motive.

Court challenge

In New Hampshire, where the state government hired an outside law firm to help investigate opioid marketing and potentially pursue litigation, the targeted companies filed a challenge in court to the firm's involvement, saying the contingent-fee arrangement "tainted" the investigation. The state's supreme court last month rejected that challenge, allowing the law firm to keep working.

Attorneys general who use outside lawyers say a contingent-fee arrangement can help them pursue worthwhile litigation they haven't the resources to mount alone. In most such arrangements, outside law firms bear the cost of the litigation and are paid only if it succeeds.

More than 300,000 Americans have died of opioid overdoses since the late 1990s, according to the Centers for Disease Control and Prevention. Many public-health officials maintain that aggressive pharmaceutical-company marketing and lax prescribing helped cause addiction that for many people progressed to heroin and other illicit drugs.

Drug companies targeted by the state, city and county suits include Purdue Pharma L.P., Johnson & Johnson, Teva Pharmaceutical Industries Ltd., Allergan PLC and the Endo Health Solutions unit of Endo International PLC.

Asked by the Journal about the suits, Johnson & Johnson and Purdue denied the allegations. Both companies, as well as Allergan and Teva, said they are committed to the appropriate use of opioids. Endo declined to comment.

Ten years ago an affiliate of Purdue Pharma called the Purdue Frederick Co. and three of its executives pleaded guilty in federal court to criminal charges of misleading the public about the addictive qualities of Purdue's painkiller OxyContin. Purdue Frederick and the executives agreed to pay \$634.5 million in government penalties and costs to settle civil litigation.

The Mike Moore Law Firm of Flowood, Miss., is one of six retained by Ohio to work on an opioid civil suit that state filed in May. The firms are entitled to 25% of any settlement or judgment up to \$10 million and smaller shares of amounts above that, to a maximum fee of \$50 million, according to their contract with the state.

Mr. Moore said he isn't pursuing the opioid litigation as "a money grab." He said he is spending a lot of time advi-



Mike Moore, right center, met with other lawyers in Florida in June to discuss ways to help cities and states sue opioid makers.

BRYAN TARNOWSKI FOR THE WALL STREET JOURNAL

ing on cases in which he has no financial stake because he wants to share his expertise to bring about a resolution. A young relative's struggles with addiction also motivated him, he said.

"I want there to be a huge amount of resources available for treatment, and I want the industry to change its practices," he said.

There is money to be had. Opioid painkillers are a \$9 billion-a-year market in the U.S., and pharmaceutical companies have earned many billions from their sale.

Mr. Moore has been crisscrossing the country to meet with what he calls a coalition of two dozen lawyers to coordinate arguments and work with government lawyers. He has been reaching out to some state attorneys general and fielding calls from others.

On a recent morning, he convened a meeting with five other lawyers in Grayton Beach, Fla., a quaint seaside town on the Gulf of Mexico where three of them live.

Gathered in one lawyer's home, the group discussed the potential for painkiller suits in the state. "We're not sure if

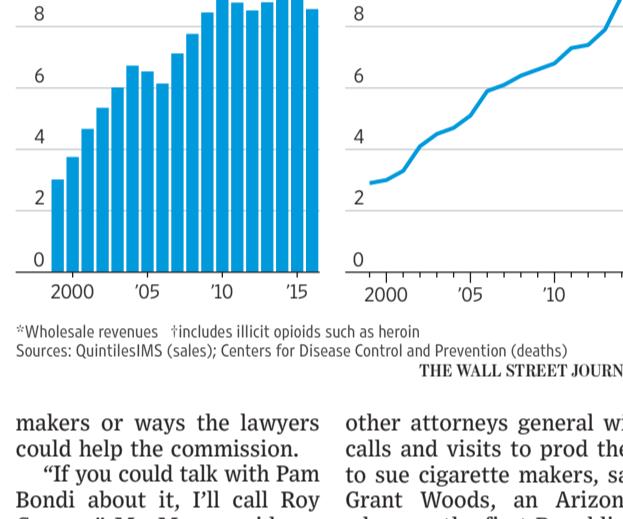
Four states and more than a dozen cities and counties are suing opioid makers.

the AG of Florida is going to file litigation," Mr. Moore said. He encouraged the lawyers to think more broadly. "Miami should file a case. Orlando should file a case. Panama City should file a case," he said.

Mr. Moore noted that Florida's Republican attorney general, Pam Bondi, is on a commission formed by President Donald Trump to address the opioid crisis. Mr. Moore advised one lawyer present—Bo Rivard, who is active in the state Republican Party—to get in touch with Ms. Bondi to see if there were ways the commission could help work toward a settlement with drug-

Deadly Problem

As prescription opioid sales have increased, so have opioid-related deaths.



*Wholesale revenues. †Includes illicit opioids such as heroin.
Sources: QuintilesIMS (sales); Centers for Disease Control and Prevention (deaths)

THE WALL STREET JOURNAL

makers or ways the lawyers could help the commission.

"If you could talk with Pam Bondi about it, I'll call Roy Cooper," Mr. Moore said, referring to North Carolina's governor, who is also on the Trump commission.

Mr. Cooper's spokesman said the governor did speak with Mr. Moore about "strategies to address the opioid crisis" but they didn't discuss litigation. Ms. Bondi's office didn't respond to a request for comment.

During the Grayton Beach meeting, Mr. Moore's phone rang. "Hmmm, Mobile, Alabama," he said, glancing at the number, one he didn't recognize. He answered anyway, eliciting chuckles. "Mike always answers his phone," said JoJo Tann, who grew up playing baseball with Mr. Moore's son.

The caller wanted advice on filing personal-injury suits on behalf of people who became addicted. Mr. Moore listened patiently and then said, "The other thing I'd look at is opioid-addicted babies. In your town, in Mobile, there are probably hundreds, and people really care about it."

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Scott Harshbarger, a former Democratic attorney general of Massachusetts, remembers Mr. Moore urging him to sue the tobacco industry. Once he did, he said, Mr. Moore pressed for a meeting—during Mr. Harshbarger's vacation—to discuss initial signs of a settlement. Mr. Moore says he wore a suit and tie to it; Mr. Harshbarger wore shorts.

"Mike was a real pioneer—he was very convincing," said Mr. Harshbarger, who is now at the Boston firm Casner & Edwards and isn't involved in opioid litigation.

Mr. Moore had gained national attention in 1994 when, as the Democratic attorney general of Mississippi, he filed the first state suit against cigarette makers. He helped popularize states' use of outside counsel, a practice whose critics included the Republican governor of his own state at the time, the late Kirk Fordice. Mr. Fordice called it a gravy train for lawyers.

Among outside lawyers Mr. Moore hired was a law-school

classmate and friend of his, Richard Scruggs, who went on to represent 30 states against tobacco companies, earning his law firm fees Mr. Scruggs estimated at \$1.2 billion.

Mr. Scruggs, who a decade later was imprisoned for conspiring to bribe a judge in a matter unrelated to tobacco, said the tobacco litigation was a risky undertaking, as previous plaintiffs had had little luck suing the industry. It was "really high-risk but high-reward litigation," he said.

Mississippi ultimately received a \$4.1 billion settlement from the cigarette industry. Mr. Moore said he hadn't agreed to let the outside lawyers have a share of any settlement, and they ended up being paid separately by the tobacco companies.

Mr. Moore left the attorney general post in 2004. He got involved in opioid-painkiller litigation soon after, he said, when Simmons Hanly Conroy hired him to help with its cases against OxyContin maker Purdue Pharma. The 5,000 Simmons Hanly clients said they had become addicted after taking the medicine as prescribed. They settled with Purdue for \$75 million in 2007, according to the law firm, around the same time Purdue's affiliate and the three executives pleaded guilty to criminal charges.

Mr. Moore said his experience with the law firm's opioid cases prompted him to push Mississippi to consider litigation.

His successor as Mississippi attorney general, Jim Hood, remembers Mr. Moore bringing up the topic when they were at a law-enforcement conference in 2007. They listened to a talk addressing Rush Limbaugh's painkiller addiction, which the conservative radio host had said he developed after taking the pills for pain following back surgery. Mr. Hood recalls Mr. Moore saying, "Man, this is just going to be a huge epidemic," and suggesting the state consider litigation.

Mr. Hood said that at first he couldn't understand how

"you sue someone for something that is FDA-approved."

After talking to physicians, he said he became convinced drugmakers were soft-pedaling the addiction risk.

In December 2015 Mr. Hood filed a suit that was drafted largely by Davidson Bowie PLLC, a Flowood, Miss., law firm run by a friend of Mr. Moore, John Davidson. The law firm's agreement with the state entitles the firm to fees similar to those in Ohio but with no maximum.

Mr. Moore is consulting on the case. He said he had no agreement specifying how he would be paid. It "doesn't concern me," he said.

Mr. Moore donated \$13,500 to Hood campaigns between 2008 and 2016, state campaign-finance records show.

Push to sue

Mr. Moore sought to persuade other states to sue, including Ohio. There the attorney general is Mike DeWine, a former Republican senator Mr. Moore knew from the tobacco-litigation days.

Mr. Moore and Mr. Woods flew to Ohio to talk to him. According to Mr. Moore, Mr. DeWine said he would get in touch if and when he was ready to move. Ohio filed an opioid-maker lawsuit on May 31.

Mr. DeWine said opioid addiction has sparked a huge public-health crisis in Ohio. Drug companies "helped create the problem, they misled people, and they need to be part of the solution," he said.

Mr. Moore described Ohio's lawsuit as a "clarion call to others that it was safe to jump in the water—Republicans, everyone."

At the meeting in Grayton Beach, he said he was considering ways to bring suits against pharmaceutical distributors, too. Some states and counties have already targeted them for allegedly failing to control painkiller distribution.

Earlier this year, two distributors, Cardinal Health and AmerisourceBergen, agreed to

pay West Virginia a total of \$36 million to settle the state's litigation alleging they didn't adequately control distribution of prescription drugs including painkillers. Cardinal Health denied the allegations. AmerisourceBergen said it was working to "support appropriate access to medications."

Mr. Moore said he is in touch with addiction-treatment experts to find out what they need to extend treatment to more people. The model for a settlement, Mr. Moore said,

"has got to be all the company officials, the treatment community, everyone sitting around a table."

The tobacco settlement was hastened across the finish line in part because industry whistleblowers stepped forward to say companies weren't being truthful about nicotine's addictive nature. The deposition of one such person, former Brown & Williamson Tobacco Corp. research chief Jeffrey Wigand, helped bolster Mississippi's case. Mr. Moore played himself in the 1999 tobacco-litigation movie "The Insider," re-creating scenes where he shuttled Mr. Wigand to court.

Asked whether any whistleblowers have surfaced to aid the opioid cases, Mr. Moore was cryptic. "There are some marketers and advertisers who have been helpful to us," he answered. "That's enough said."

PARTY

PARTY

Continued from Page One
the background, "I move like the wind," Dr. Turek said, finishing each man after a song or two, about eight minutes.

Vasectomies are considered a permanent form of birth control, although they can be reversed. Dr. Turek said his patients include fathers as well as single men who freeze their sperm before their vasectomy to retain "ownership over contraception."

Having vasectomies together provides comfort in numbers, Dr. Turek said. One group, friends since college, had vasectomies together, and they "took fewer pain pills, felt better faster and returned to work earlier than the average, go-it-alone-out-on-the-plank, tube-tied patient," Dr. Turek wrote on his blog last year.

Urologist Ernest Sussman, of Las Vegas Vasectomy in Nevada, said pairs of men arrive

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Friends Jeb Lopez, left, and Rob Ferretti in a recovery room at Obsidian Men's Health in Tysons Corner, Va., where the two went for vasectomies together—and also enjoyed booze and steaks.

Messrs. Ferretti and Lopez got good and relaxed before their recent procedure, according to their video of the afternoon posted on YouTube.

After the short operation, the two friends retired to the recovery room in bathrobes and slippers, where they ordered a steak dinner and relaxed for a couple of hours watching TV and "laughing it up," said Mr. Ferretti, who

lives in Englewood, N.J.

Doctors allow patients to go home the same day, although they can't drive themselves if they have taken strong pain pills or alcohol.

Other clinics advertise on radio and social media that the benefits of vasectomies reach beyond family planning. The pitch: Doctor's orders are a perfect excuse to watch the NCAA basketball tournament

in its entirety.

"Ready for some wife-approved couch time? Have your vasectomy on a Thursday or Friday. Then you can recover over the weekend while watching some great games!" said a Urology of Indiana advertisement ahead of this year's March Madness.

Ads by the practice, based in Greenwood, Ind., seem to work, said Chief Operations Officer Charles Dotson, who saw a surge in March business.

"This a procedure that's going to require them to be down for a couple of days, limited mobility, they're going to probably be doing that anyway if they're watching basketball all weekend, it just becomes an easy conversation to have with the other half," Mr. Dotson said.

The University of Utah Health in Salt Lake City has run March Madness promotions for the past three years. It offers a vasectomy package that includes a Utah Jazz basketball ticket giveaway, goody

bags and basketball-shaped ice packs. This year, its surgeons performed more than three times as many vasectomies in March compared with the average number done in the other months through May, according to the health center's internal marketing data.

A U.S. survey by the Centers for Disease Control and Prevention found most women who rely on vasectomies for birth control have as many children as they or their partner want. A vasectomy is faster, safer and less expensive than a common sterilization procedure for women called tubal ligation, according to the American Urological

LIFE & ARTS

TURNING POINTS | By Clare Ansberry

It's OK to Party When You Turn 60

More people are celebrating the age rather than lamenting getting older; a pool party for close friends or a band for a crowd

SIXTY YEARS AGO, the baby boom peaked with 4.3 million babies being born. That means more boomers than ever are becoming sexagenarians at a rough rate of 491 an hour. That's a lot of candles.

Two of them, teenage sweethearts Mike and Robin Hamlin threw an "120" party in honor of each reaching that milestone birthday this year. They invited about 100 people, had a live band and danced to Bruno Mars' Uptown Funk.

"I could care less if people know I'm 60," says Ms. Hamlin. The only time it bothers her is when she enters her age on the treadmill in the morning. "Then I think: 'I don't believe it. I don't feel different than 40.'"

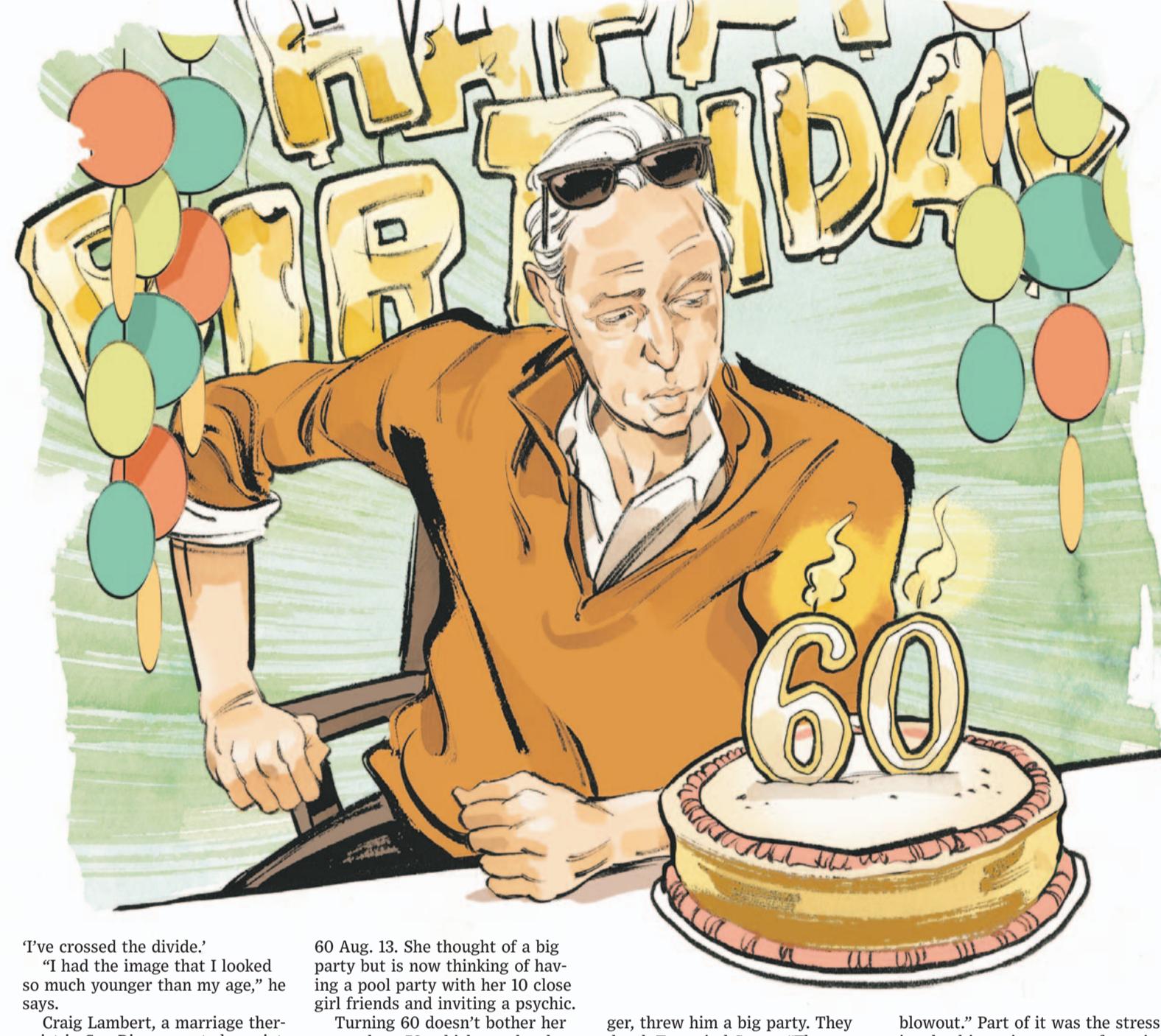
Today's 60-year-old is generally in better health and has more education than their mom and dad. They look younger thanks to cosmetic surgery, better nutrition, exercise, skin creams, and they are more active. They volunteer, backpack, FaceTime with grandchildren if they have them, take more cruises than their parents and take vitamin supplements, especially vitamin D. They are on the brink of what one aging expert called an emerging "gerontolescence," a new period of transition.

But for the most part, people in the U.S. prefer to tiptoe past their 60th birthday because they don't want anyone to know that they are that old. Among the best possible birthday gifts for a 60th birthday: "That people would forget I am 60," according to a 2006 study by AARP Inc. For good reason: Those under 30 say old age begins at 60, according to a 2009 Pew Research Center report.

Part of the trepidation is the so-called clock—a cultural timeline of expectations of what you should do at a certain age, says William Doherty, director of marriage and family therapy at the University of Minnesota.

At 60, people ask, "When do you plan to retire?" which is unsettling for many men whose self-image and identity is dominated by work, says Dr. Doherty, who is 72 and still working. People began asking, "Are you still working?" when he was in his late 60s, which was followed by, "You're not still working are you?" when he reached 70. And that still happens even though nearly 9 million Americans aged 65 and older were working in May 2016, more than twice the number of people that age in 2000.

Men at 60 also tend to think they look better than they do, while women are more critical of their appearances from an earlier age. Dr. Doherty remembers being offended when an 18-year-old McDonald's clerk asked him if he wanted a discount when he was 62. He said "No," and told himself,



KAGAN MCLEOD

'I've crossed the divide.'

"I had the image that I looked so much younger than my age," he says.

Craig Lambert, a marriage therapist in San Diego, wanted a quiet dinner when he turned 60 last year, nothing like the big 50th birthday bash he had. "I didn't want to focus on the number. I just wanted to get beyond it," says Mr. Lambert. Many men, he says, feel that by 60 they have peaked in their career and that the best years are behind them. He exercises and is in good shape. But when he looks in the mirror, "I honestly can't believe what I look like. My hair is totally gray," says Mr. Lambert, who had cosmetic surgery around his eyes.

Women, he says, seem to have a better outlook. "The kids are grown and out of the house. They have a new lease on life and feel a greater potential to grow and expand in ways they haven't before," he says.

His fiancée, Debbie Seid, turns

60 Aug. 13. She thought of a big party but is now thinking of having a pool party with her 10 close girl friends and inviting a psychic.

Turning 60 doesn't bother her as much as 59, which was her last birthday in her 50s. "I hung onto 58 like crazy," she says. In recent months, she has been trying to get used to being a sexagenarian by telling people "I'm going to be 60."

Ian Brown, a journalist and author, decided to keep a year-long daily diary, starting with the day he turned 60, in large part because he realized life was short and he needed to pay closer attention to its details. He wrote in the resulting book, "Sixty: A Diary of My Sixty-First Year: The Beginning of the End, or the End of the Beginning?" about his growing baldness and memory lapses, not accomplishing what he thought he would and the fear of what he calls "erasure," which is something women have dealt with for a long time, and learned how to compensate. His wife, who is eight years younger,

threw him a big party. They drank Tamarind Sours. "They go down easily," he says.

The 120 party was Mike Hamlin's idea. Mr. Hamlin, who owns Wing-Hamlin Co., a manufacturing representative agency in Elmhurst, Ill., turned 60 in March. He and his wife went to their daughter's home in Boston. They had a nice quiet dinner. His 5-year-old grandson made him a toolbox.

A month later, they were in Florida, visiting Ms. Hamlin's parents. Her father is 94 and her mother is 88. The Hamlins have made several trips back and forth and the last one was especially stressful. They thought it would be better for her parents to move into assisted living and provided several options. Her parents declined.

On the way to the airport, Mr. Hamlin told his wife, who was turning 60 in May, "we need a big

blowout." Part of it was the stress involved in trying to care for aging parents. In the back of his mind, too, he says, was his business partner who died of a heart attack when he was 60 and his dad, who died at 70. "We need to really make sure we don't let the next 10 years slip by," he remembers telling his wife, who has lost two dear friends to cancer.

They picked May 20, the Saturday after Ms. Hamlin's 60th birthday. She worried at one point during dinner when the band played recorded music, including "Close to You" by the Carpenters. "I thought, 'Oh my God. This is going to be so lame,'" she says.

Later, the band, named Enough Said, played "Raise your Glass" by Pink. Everyone danced. At the end of the night, Mr. Hamlin invited family and friends back in five years to celebrate the 130.

YOUR HEALTH | By Sumathi Reddy

PATIENTS MAKE MORE MEDICATION MISTAKES

THE NUMBER of serious medication errors people make is on the rise, with about one-third of them resulting in hospitalizations.

Every two minutes someone calls a U.S. poison control center about a medication error. They took the wrong dose, took their medication twice or accidentally took someone else's, among other mistakes.

About 14 of those calls a day are serious medication errors that typically require medical treatment and may result in hospitalization or even death, according to a recent study published in the journal Clinical Toxicology earlier this month. The study analyzed calls to poison control centers across the country, focusing on serious medication errors that took place outside of the hospital.

The researchers found that serious medical errors doubled between 2000 and 2012, said Nichole Hodges, first author of the study and a research scientist with the Center for Injury Research and Policy at Nationwide Children's Hospital in Columbus, Ohio.

The most common medication mistakes involved cardiovascular drugs, such as beta blockers and calcium channel blockers, which



More patients take the wrong dose or medicines, a new study finds.

made up 20.6% of serious errors. Pain medications such as opioids and acetaminophen (brand name, Tylenol) were involved in 12% of errors, and hormone therapies, mainly insulin, were associated with 11% of serious mistakes.

The usage of these types of

medications is going up, said Dr. Hodges. "So we're likely to see more errors. But we can't tell for sure whether the errors are increasing or whether they're just being reported more often."

Calcium channel blockers, commonly used for high blood pres-

sure and cardiac arrhythmias, can be especially dangerous when extra doses are accidentally taken because they can cause blood pressure to drop abnormally low. They can also cause arrhythmias and other heart issues, said Henry A. Spiller, a co-author on the study and director of the Central Ohio Poison Center at Nationwide Children's Hospital.

"Because older people may be on multiple medications they are sometimes used to swallowing several pills at a time," said Dr. Spiller. "If you take six of these you have a week's worth of the drugs and that becomes dangerous."

Taking too much acetaminophen can cause liver damage and high doses of opioids can cause breathing problems and coma, he said.

A common problem for diabetics is when they confuse their morning dose of insulin with their evening dose. Diabetics typically take two different doses of insulin each day, a faster-acting and larger dose that is supposed to be taken in the morning and a lower dose that is for the evening.

"The good news is most of these errors are highly preventable," said Dr. Hodges.

She advises that parents and caregivers keep a log, noting the time and day a medication is given. Weekly pill planners can be helpful but make sure they are child-resistant and stored out of sight of children, she said.

Hospital-based medication errors have also been a focus of concern for years with efforts under way to reduce such errors. "Medication errors are common in hospitals but fortunately only about one in 100 result in harm," said David Bates, chief of general medicine at Boston's Brigham and Women's Hospital.

Electronic health records have helped reduce such errors. Overdoses are the most common error in hospitals. "Older patients are particularly susceptible to getting too much medication as are patients with kidney problems," Dr. Bates said.

Adding bar codes to medications and the creation of smart pumps for medicines that are given intravenously have also helped reduce medication errors in the hospital, said Dr. Bates. Smart pumps are programmed for a specific dose range so that if a nurse or doctor is given a dose that is too high the pump will beep or alert them.

OPINION

REVIEW & OUTLOOK

Trump's Syria Muddle

Does the Trump Administration have a policy in Syria worth the name? If so it isn't obvious, and its recent decisions suggest that the White House may be willing to accommodate the Russian and Iranian goal of propping up Bashar Assad for the long term.

Last week the Administration disclosed that it has stopped assisting the anti-Assad Sunni Arab fighters whom the CIA has trained, equipped and funded since 2013. U.S. Special Operations Command chief Gen. Raymond Thomas told the Aspen Security Forum Friday that the decision to pull the plug was "based on an assessment of the nature of the program and what we are trying to accomplish and the viability of it going forward."

That might make sense if anyone knew what the U.S. is trying to accomplish beyond ousting Islamic State from Raqqa in northern Syria. In that fight the Pentagon has resisted Russia and Iran by arming the Kurdish Syrian Democratic Forces and shooting down the Syrian aircraft threatening them. Mr. Trump also launched cruise missiles to punish Mr. Assad after the strongman used chemical weapons.

The muddle is what the U.S. wants in Syria after the looming defeat of Islamic State. On that score the Trump Administration seems to want to find some agreement with Russia to stabilize Syria even if that means entrenching Mr. Assad and the Russian and Iranian military presence.

Cutting off the Sunni Free Syrian Army has long been a Russian and Iranian goal. FSA fighters in southern Syria have helped to contain the more radical Sunni opposition formerly known as the Nusra Front and they've fought Islamic State, but they also want to depose Mr. Assad. Not all of the Sunni rebels are as moderate as we'd like, but they aren't al Qaeda or Islamic State. The arms cutoff caught the rebels by surprise and will make our allies in the region further doubt American reliability.

This follows the deal Mr. Trump struck at the G-20 meeting with Vladimir Putin for a cease-fire in southern Syria near its border with Israel and Jordan. U.S. Secretary of State Rex Tillerson hailed it as a potential precedent for other parts of Syria, and Administration sources advertised that Israel and Jordan were on board.

Iran and Russia won't negotiate a cease-fire until they have to.

But we later learned that Israel is far more skeptical. Prime Minister Benjamin Netanyahu told a recent cabinet meeting that "Israel will welcome a genuine cease-fire in Syria, but this cease-fire must not enable the establishment of a military presence by Iran and its proxies in Syria in general and in southern Syria in particular."

Yet by this point any territory controlled by Mr. Assad will come with Iranian military tentacles. Iran's Hezbollah footsoldiers from Lebanon helped rescue Mr. Assad's military, and they'd love to open another frontline against the Jewish state.

Messrs. Trump and Tillerson may want to negotiate a diplomatic settlement with Mr. Putin on Syria, and no doubt the Russian is pitching his "common front" line against radical Islamists. But CIA Director Mike Pompeo told the Aspen forum on Friday that Russia has done little fighting against Islamic State. Mr. Putin also has no incentive to give ground in Syria while his side is winning.

Russia and Iran know what they want in Syria: a reunified country under Mr. Assad's control. Iran will then get another Arab city—Damascus—under its dominion. It will have another base from which to undermine U.S. allies in Jordan and attack Israel when the next war breaks out. Russia wants to show the world that its allies always win while keeping its air base and a Mediterranean port.

None of this is in the U.S. interest. The only way to reach an acceptable diplomatic solution is if Iran and Russia feel they are paying too large a price for their Syrian sojourn. This means more support for Mr. Assad's enemies, not cutting them off without notice. And it means building up a Middle East coalition willing to fight Islamic State and resist Iran. The U.S. should also consider enforcing "safe zones" in Syria for anti-Assad forces.

It's hard to imagine a stable Syria as long as Mr. Assad is in power. But if he stays, then the U.S. goal should be a divided country with safe areas for Sunnis and the Kurds who have helped liberate Raqqa. Then we can perhaps tolerate an Assad government that presides over a rump Syria dominated by Alawites. But none of that will happen if the U.S. abandons its allies to the Russia-Assad-Iran axis. And if abandoning Syria to Iran is the policy, then at least own up to it in public so everyone knows the score.

Tying School Choice to 'Racism'

Betsy DeVos must be doing something right. Why else would Randi Weingarten, president of the American Federation of Teachers, devote a speech late last week to blasting the U.S. Education Secretary for using the word "choice"—and then tying it to racism?

Sounding like Hillary Clinton in full deplorable mode, Ms. Weingarten says the movement to give parents more say over where their kids go to school has its roots in "racism, sexism, classism, xenophobia and homophobia." Adapting the theology of the climate-change censors who seek to shut down debate, she goes on to call Mrs. DeVos a "public-school denier."

What really frosts the AFT president is that she recognizes that the public-school monopoly her union backs is now under siege, morally and politically, for its failure to educate children, especially minority children.

It's not that there are no excellent public schools. It's that citizens are beginning to see that the public money the unions increasingly demand is more likely to go into pensions than the classroom. And access to excellent schools

The teachers union makes the tenuous claim to defend its monopoly.

increasingly depends on where they live.

Ms. Weingarten tries to taint the push for choice by tracing it to attempts in some parts of the country to evade the integration demanded by *Brown v. Board of Education*. There's a reason Ms. Weingarten spends most of her time on the bad old days. This is because it's much harder to defend the

academic resegregation of today.

Before last year's anniversary of *Brown*, for example, the Government Accountability Office released a study showing resegregation is on the rise, with more and more of America's poor black and Latino children in schools where they are the majority. Many of these are failing schools. Yet as she made clear in her speech, Ms. Weingarten and her union will fight to their dying breath to keep these children there rather than give them the opportunity of a better education through a charter public school or a voucher for a private or parochial school.

We hope Secretary DeVos takes away from Ms. Weingarten's speech the message that so brittle is the teachers union monopoly that today it fears her even talking about choice.

A Victory Against Obama

Westchester's Chief Executive Rob Astorino spent seven years fighting Obama-era Department of Housing and Urban Development accusations that his New York State county's zoning laws are racist. Now HUD has conceded that the suburban New Yorker was right all along.

In a one-paragraph memo sent to Westchester recently, HUD Regional Director Jay Golden accepted the county's latest report demonstrating that local zoning laws are race-neutral. Westchester was required to produce this "analysis of impediments" to housing as part of a 2009 legal settlement between Mr. Astorino's Democratic predecessor, Andrew Spano, and a liberal activist group.

Mr. Astorino called HUD's memo a "vindication," and it is—not least because Westchester demonstrated as early as 2010 that the county didn't have racially exclusionary zoning practices. Westchester's residents live where they want and can afford to live. Between the 2000 and 2010 censuses (the most recent available), the county's African-American and Hispanic populations rose 56%.

The Obama Administration had a larger social and political agenda, which was to use federal antidiscrimination law as a battering ram to rewrite local zoning laws. Westchester would be the model for the rest of the country, and as a Republican Mr. Astorino was an ideal foil to portray as a racist and then point to as a precedent to force racial housing quotas on neighborhoods across America.

Feds concede a New York county's zoning laws aren't discriminatory.

As part of the settlement implementation, the agency deemed standard zoning, such as building heights or sewer placement to protect drinking water, as "restrictive practices" that the feds wanted to change. Westchester balked, recognizing the move as a federal takeover of local policy.

The agency also ignored that Mr. Astorino exceeded the 2009 settlement's mandate to facilitate the construction of 750 housing units in 31 mostly white communities over seven years.

Mr. Astorino fought back in court, producing 11 reports about the county's zoning practices. The agency responded by withholding \$23.4 million in development money meant for Westchester's poorest communities over four years.

New York Governor Andrew Cuomo used the dispute to portray the Republican as hostile to minorities when Mr. Astorino ran against the Democrat in 2014.

Now Mr. Astorino looks like a hero to Westchester residents who have already forked out \$81.6 million for land acquisition and construction costs for the new housing, plus the \$172 million contributed by state and federal taxpayers.

The misuse of federal regulatory enforcement to impose its liberal policy preferences was one of the worst excesses of the Obama Administration. Congratulations to Mr. Astorino and Westchester for refusing to give in to the extortion—and for winning in the end.

Trump and the Nafta Talks



AMERICAS

By Mary Anastasia O'Grady
No part of Donald Trump's 2016 run for president excited crowds more than his rants against Mexico, his promises to "build the wall" along the southern border, to make the neighbors pay for it, and to rewrite or scrap the 1994 North American Free Trade Agreement.

Rhetorically, President Trump has not stepped back very far from all that. He now says that he will build the wall first and figure how to get the money from Mexico later.

He understands that he won the presidency partly by making outrageous statements that kept him constantly in the news. But now that the serious business of negotiation on trade is beginning, it appears that much of the craziness has been set aside.

Canada and Mexico have agreed to return to the Nafta negotiating table, and most of the objectives outlined in the U.S. Trade Representative's summary, released last week, are aimed not at destroying the 24-year-old pact but modernizing it. In many cases the U.S. is asking to open markets further on a reciprocal basis.

One objective is freer trade in agricultural products, which suggests that Canada's protected dairy and poultry markets will be on the table. The document also says the U.S. will aim for greater ease at the borders by "streamlining" customs procedures. A specific goal is to raise the value of goods that can enter duty-free in express-mail shipping to \$800 from \$50. The USTR doesn't make a big point of it, but this mail would presumably include products made in China.

Unfortunately some items on the Trump wish list would take the region backward economically.

It's hardly surprising that the administration has made it a priority to eliminate trade deficits with Canada and Mexico. It has the same wrong-headed obsession globally. But a current-account deficit—which includes trade—doesn't matter because it means there is a capital-account surplus. The dollars Americans spend on foreign-produced goods and services eventually must return to the U.S., usually via investments in U.S. assets.

Trade deficits with Canada and Mexico are even less relevant. In the introduction to its summary, the USTR claims that "trade deficits have exploded." Yet the trade deficit with Nafta partners is less than 13% of the total U.S. trade deficit, while Nafta represents 30% of total U.S. trade.

Canada and Mexico are the largest export markets for the U.S., and the trade deficits are nowhere proportional. It's also worth noting that the U.S. has had a surplus in services with Mexico averaging about \$9 billion a year over the past three years.

On the goods side—despite all the griping about deficits with Mexico and Canada—continental free trade makes U.S. exports more attractive globally. By putting production facilities in all three Nafta countries, American auto manufacturers, for example, can turn out cars and trucks that compete on price and quality all over the world.

This reduces the overall U.S. trade deficit. All things being equal, the deficit would go down even more if all markets were further opened to U.S. exports. It follows that the ideal U.S. policy for an administration concerned about trade deficits would be to work to reduce all barriers to trade.

The administration's objectives are largely constructive. But beware of land mines.

In a world of increasingly interconnected commerce supported by free-trade agreements, American protectionists have come to rely heavily on antidumping and countervailing duties. Under Nafta, when exporters are alleged to be selling unfairly—leaning on government subsidies or pricing a product below market to destroy competitors—any of the three countries can apply duties as a remedy.

But under Nafta's Chapter 19, exporters can appeal those duties to an international arbitration panel. The USTR says it wants to eliminate Chapter 19 and instead send disputes to domestic courts. In the U.S. that would be the Court of International Trade, where the Trump administration and its supporters undoubtedly feel American companies could expect a more favorable outcome than at a Nafta panel.

Yet this would also mean that when Canada and Mexico slap antidumping duties on American products, exporters will have to go to courts in those countries. The result is likely to be rising protectionism in all three markets and sand in the gears of the integrated North American economy.

This can only increase divisions, beyond economics, among the three countries at a time when a strong North American alliance is crucial to U.S. leadership in the hemisphere. Mexico has adopted a welcome human-rights policy by taking a strong position against the Venezuelan dictatorship. The U.S. should do what it can to build on this common ground.

The USTR's objectives are largely constructive. But Trump protectionists have planted a few land mines in the otherwise valuable agenda. Americans have to hope that Canada and Mexico will defend the interests that all three partners have in a free and prosperous North America.

Write to O'Grady@wsj.com.

LETTERS TO THE EDITOR

Space-Based Defense Is Best, and Cheapest

We, former directors of President Ronald Reagan's Strategic Defense Initiative (SDI), welcome your June 27 editorial "The Missile Defense Imperative." We further agree that space-based components are needed, like those we considered to be most promising during the SDI era (1983-93). But we disagree that they would be "no doubt expensive" and that "it's difficult to score technologies still under development."

The SDI proved otherwise before the program was scuttled in 1993 for political reasons. Brilliant Pebbles, the space-based interceptor we advocated, promised a high probability of kill (over 90%) of all of a "limited" strike of up to 200 attacking re-entry vehicles—the number then controlled by a Russian submarine commander.

It's better than anything we have today. It became the SDI era's first formally approved ballistic-missile defense system, with a validated cost estimate of \$10 billion in 1988 dollars (now \$20 billion) for concept definition and validation, development, de-

ployment and 20 years' operation of that constellation of 1,000 Brilliant Pebbles. This isn't expensive, especially since this system, based on commercial off-the-shelf technology, was designed to intercept attacking ballistic missiles in their boost phase while their rockets still burn, before they can release their decoys and other countermeasures—and throughout their flight, including high in the atmosphere on re-entry.

Commercial sector advances, such as Space-X's multiple use of first-stage launchers, should reduce costs further. Thus, we urge the Journal to re-evaluate its position on the cost of truly effective space-based defenses and to advocate private-sector involvement and innovation to keep the costs down—like Brilliant Pebbles did.

**Lt. GEN. JAMES A. ABRAHAMSON, USAF (RET.)
Lake Wales, Fla.**

**AMB. HENRY F. COOPER
Reston, Va.**

When a 'Right to Die' Becomes an Obligation

I was saddened by the several hostile responses to J.J. Hanson's excellent op-ed piece ("My Doctors Should Help Me Live, Not Die," July 10 and Letters, July 18).

America wasn't founded on unfettered "freedom of choice" but on "ordered liberty." The Declaration of Independence puts life first among its catalog of unalienable rights with which all men "are endowed by their Creator." This means that "pursuit of happiness" cannot logically include the intentional destruction of innocent human life.

That fact notwithstanding, a 2008 ABC News report stated that the government-run Oregon Health Plan wouldn't pay for 64-year-old Barbara Wagner's \$4,000-a-month cancer medicine. But it would purchase a \$50 drug for her physician-assisted suicide.

And the New York Post reported last year that Stephanie Packer's California insurer refused to provide a

chemotherapy drug that might extend her life. But it agreed to pay for a drug designed to kill her.

Such pressure by insurers threatens to transmogrify the so-called "right to die" into a "duty to die."

Proponents of physician-assisted suicide might benefit from a personal dose of humility. Only a prideful person finds natural death an affront to his "personal dignity."

Just as we did not bring our own lives into existence, so also we have no right to end them.

**RICHARD J. WALL JR.
Lincoln, Neb.**

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.letters@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

OPINION

Britain Is Committed to Brexit and Free Trade

By Liam Fox

The principles of free trade have underpinned the institutions, rules and alliances that rebuilt the postwar world. They facilitated the fall of Soviet communism. They ushered in 70 years of global prosperity, raising the living standards of hundreds of millions of people. As the United Kingdom looks ahead to a new era of trade and a future outside the European Union, we'll be strengthening ties around the world—especially with our top trading partner and greatest ally, the U.S.

As an independent U.K. embraces the world, the U.S. will remain our foremost partner.

The British government has set up working groups and high-level dialogues in 10 countries that are key trade partners. Our goal is to explore the best ways of improving our trade and investment relationships. On Monday, I visited my American counterpart, U.S. Trade Representative Robert Lighthizer, for the first meeting of the U.S.-U.K. trade and investment working group. We have two main aims.

I believe this offers an unprecedented opportunity for the U.K. If we want to protect jobs and pros-

First, to give businesses on both sides of the Atlantic certainty and confidence. Second, to provide commercial continuity as the U.K. charts a course outside the EU.

The U.K. is prohibited from signing any formal free-trade agreement while we retain EU membership, but we are laying the groundwork for a potential deal with our closest international partners, identifying areas where we could broaden cooperation and remove barriers to trade.

American politicians and business leaders sometimes ask me whether the U.K.'s recent general election has affected our approach to Brexit, or whether there is any chance the U.K. might change its mind and stay in the EU. No. The government's approach hasn't changed. The plan to leave the EU that we originally set out is in our national interest. Brexit is going ahead. The democratic choice has been made.

In the June election, more than 80% of voters backed one of the parties that supports Britain's withdrawal from the EU. The Conservative Party, through our agreement with the Democratic Unionist Party, has secured a legislative majority to provide stable government, uphold the democratic will of the British people, and deliver Brexit.

That strength of our trade and investment relationship with the U.S. is clear. Exports to the U.K. last year totaled \$555 million from Alabama alone, and \$3.5 billion from Wash-



BLOOMBERG

A container ship dockside last year in Felixstowe, England.

perity and watch British businesses expand, we need to engage with the overseas markets that hold the greatest potential. The EU itself estimates that 90% of global growth in the next decade will come from outside Europe. As one of the world's largest economies, the U.K. has the chance to work with old and new partners to build a truly global Britain at the heart of international trade.

The strength of our trade and investment relationship with the U.S. is clear. Exports to the U.K. last year totaled \$555 million from Alabama alone, and \$3.5 billion from Wash-

ington state. Such exports supported 1,400 jobs in Alaska and 53,000 in Texas, which I will visit at the end of this week. Together the U.S. and U.K. have around \$1 trillion invested in each other's economies, and this strong trading relationship supports more than one million jobs in both countries.

The fundamentals of the U.K. economy are strong, providing a solid platform on which to build new trading links. We have reduced the deficit by nearly 75% and cut taxes for millions of working people, and the unemployment rate remains low.

The U.K. was the second-fastest-growing economy in the Group of Seven last year. A PricewaterhouseCoopers report from February projects that Britain will hold the G-7 growth title until 2050, outstripping France, Germany and Italy.

The U.K. has long been one of the best places in the world to invest, with regulatory stability, a strong rule of law and a low-tax, high-skilled economy. So it's no surprise that Britain has attracted a range of businesses, from Facebook and Google to Pfizer.

I am committed to securing the best possible global trading framework for the U.K. It is a source of great personal pride to lead the Department for International Trade, tasked with upholding Britain's centuries-long tradition of advocating free trade and commerce.

In that spirit, I look forward to working together with our American allies to deepen a relationship based upon not only our shared values of freedom and democracy, but our shared history, culture and economic success.

At times the U.K. and the U.S. can seem very different, yet we are nations built upon a common foundation. As Britain embraces the world, the U.S. will remain our foremost partner in every endeavor.

Mr. Fox is the U.K.'s international trade secretary.

By Yukon Huang

Officials from China and the U.S. met in Washington last week for the so-called Comprehensive Economic Dialogue, but the results were meagre. The two sides are no closer to solving Beijing's \$340 billion trade surplus with the U.S., but focusing on the bilateral trade balance was always going to be a fool's errand.

Freed up U.S. beef exports or curbing Chinese steel production won't bring trade into balance. That requires addressing thorny structural issues such as America's persistent budget deficits and China's low household-consumption rate. Neither can be achieved overnight. Addressing investment-related concerns would have been a more productive use of the delegates' time.

The conventional wisdom is that too much U.S. foreign investment is landing in China, taking jobs and competitiveness away from America. Yet the official statistics show

that only 1% to 2% of U.S. investment has gone to China over the past decade, while only 2% to 3% of China's outward investment has entered the U.S.

Data deficiencies partially explain these low numbers. Much of the global flow of foreign investment is channeled through tax havens that blur their origins. But country comparisons can help neutralize this distortion.

Consider the European Union, which is comparable to the U.S. in economic size. Over the past 10 years, annual flows of the EU's foreign investment to and from China have been two to three times that of the U.S., although they both began the decade around the same level.

The difference is that the EU's manufacturing strengths complement China's market needs. Stroll through any major shopping mall in China and you'll notice that 80% of the products are European.

The EU's top exports to China are dominated by machinery and trans-

port as well as high-end consumer goods. These products require FDI flows to support market penetration and servicing.

Meanwhile, a visit to China's major cities shows a plethora of U.S. brand names such as Apple, Marriott and McDonald's. Many of these

Investment flows, not trade, is where the big gains can be made quickly.

are operated as franchises with fees paid by Chinese investors. The actual investment is local. Or, as in the case of Apple, the investment is Taiwanese; Apple invests very little in China.

Manufactured exports and related investments are largely welcomed in China's domestic market and cater more to the EU's strengths. Meanwhile the country's closed services sector hinders investment from the U.S., whose strengths lie in higher-

value services, notably in information technology and finance. China's long list of activities restricted to foreign investors is dominated by services. Getting Beijing to significantly liberalize entry has been a tough battle.

But economic factors only explain part of the EU's higher levels of Chinese FDI. Other sensitivities also play a significant role.

Politically, the EU represents a much easier market for Chinese companies to penetrate. If one member country restricts access to its market, a Chinese company can enter the EU through a different member country.

Partnerships with individual U.S. states are possible, but the more agglomerated nature of U.S. companies and the overarching nature of federal policies is a challenge for Chinese investors.

Security concerns are also more contentious in the U.S. Although China accounts for only a few percent of America's foreign investment, it makes up nearly 25% of the reviews

by the U.S. committee that deals with national-security concerns.

Such concerns led Huawei, China's major telecommunications company, to largely give up on the U.S. market. Instead, it has secured a foothold in Europe and now accounts for about a quarter of the mobile-network infrastructure spending in Africa, Europe and the Middle East.

For the U.S., encouraging more bilateral investment flows and improving market access in high-value services while dealing with legitimate security concerns would benefit both sides.

The Trump administration may want to resist any agreement that would encourage U.S. firms to invest more abroad, but a bilateral investment treaty should be high on its agenda, even if it isn't politically expedient.

Mr. Huang is a senior fellow at the Carnegie Endowment and the author of "Cracking the China Conundrum: Why Conventional Economic Wisdom Is Wrong" (Oxford, 2017).

American Travelers: Don't Count On the U.S. to Rescue You

By Jared Genser

I represent two Americans, Siamak Namazi and his father, Babek, being held in deplorable conditions in Iran's Evin Prison. In October they were sentenced to 10 years on sham charges of "collaboration with a hostile government," namely the U.S.

In a statement Friday, the White House demanded their freedom: "President Trump is prepared to impose new and serious consequences on Iran unless all unjustly imprisoned American citizens are released and returned." In June the administration arranged for Otto Warmbier to be brought home after nearly 18 months in a North Korean camp. He died shortly after returning to the U.S.

Americans need to appreciate they are highly vulnerable to arbitrary detention abroad—and not just in countries such as Iran and North Korea.

I say this from experience, as a lawyer who has represented not only the Namazis but also U.S. citizens wrongfully imprisoned in such countries as China, Cuba, Myanmar and Nicaragua. Each year more than 70 million Americans travel abroad. Several thousand are arrested annually. The U.S. State Department esti-

mates more than 3,000 are imprisoned, some 100 of whom, two officials told me on condition of anonymity, are hostages of rogue states and terrorist groups.

Many Americans believe if they get into trouble the U.S. government will rescue them. In most cases it won't. Those who are detained typically get a list of local lawyers and visits from consular staff every one to three months. Buried on its website, the State Department explicitly advises it "cannot get U.S. citizens out of jail." Still, more can be done to help Americans imprisoned abroad.

First, Mr. Trump should direct the State Department to evaluate individually the case of every imprisoned American to determine privately whether he is likely to have been arbitrarily detained. This needn't be a complex legal evaluation, but rather a simple application of international law to the facts of each case.

This review is critical. Many of the imprisoned did break local laws, and the U.S. Privacy Act prohibits government agencies from releasing information that might enable human-rights groups or the media to conduct independent evaluations. That's why the State Department must determine internally

which Americans are unfairly imprisoned and then provide diplomatic and political support to push for their freedom.

Second, Congress should require, every three months, that the State Department provide lawmakers a private list of Americans believed to be

The State Department needs to do a better job protecting travelers and warning of the dangers.

imprisoned wrongly abroad, including suggested steps to assist them. In previously opposing such a bill, State argued in a memo to Congress: "The idea that we would distinguish among U.S. citizens as more or less 'deserving' of our support contradicts the fact that all U.S. citizens deserve our best efforts."

Congress is essentially unaffected by the high costs of the ObamaCare exchanges because of a special exemption crafted under the Obama administration. The Affordable Care Act required members of Congress and their employees to participate in the health-insurance exchanges it established. They should have lost the generous coverage they had in the Federal Employees Health Benefit Program and instead bought one of the government-mandated options offered on the ACA exchanges.

In late 2012, staffers and members figured out what was about to happen and begged the Obama adminis-

Yes, Americans deserve consular support without distinction, but those who are wrongfully detained merit special attention. Lawmakers should encourage State to provide it. They should not, however, prescribe or require specific action, because these cases require specialized support based on the facts of each case.

Third, the government needs an integrated approach. In 2015 President Obama issued a directive that created a special presidential envoy for hostage affairs, a position Mr. Trump should fill soon.

But the administration also needs to identify and assist other wrongfully detained Americans. It needs to enhance deterrence, to go beyond saying it has a "no concessions" policy, and to consider coercive measures such as suspending foreign aid and imposing targeted sanctions against governments, organizations and individuals responsible for holding U.S. citizens unfairly.

Fourth, State should do a better job educating Americans as to the dangers of traveling abroad. That wouldn't help dual nationals like the Namazis, visiting family or friends.

But a warning could help others avoid trouble. Every passport should come with a letter emphasizing the government's limited ability to recover wrongfully imprisoned citizens, listing countries that have taken American hostages, and noting that U.S. citizens traveling abroad are wholly outside the protection of the Constitution and must follow local laws.

Even with these measures, securing the release of wrongfully imprisoned Americans will remain difficult. But perhaps high-profile hostage cases like those of the Namazis and Warmbier will focus the government on fulfilling one of its most basic duties: protecting its citizens when they most desperately need help.

Mr. Genser is founder of Freedom Now.

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Gerard Baker
Editor in Chief

Matthew J. Murray
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Force Congress's Hand on Health Care

By Heather R. Higgins

If President Trump is serious about repealing ObamaCare—about delivering a better policy with more choice and lower costs—there's a simple move he could make that wouldn't require congressional approval. It would align the interests of lawmakers and their staffers with the interests of voters.

Congress is essentially unaffected by the high costs of the ObamaCare exchanges because of a special exemption crafted under the Obama administration. The Affordable Care Act required members of Congress and their employees to participate in the health-insurance exchanges it established. They should have lost the generous coverage they had in the Federal Employees Health Benefit Program and instead bought one of the government-mandated options offered on the ACA exchanges.

In late 2012, staffers and members figured out what was about to happen and begged the Obama adminis-

tration for relief. Just as Congress was going into its August recess in 2013, the Office of Personnel Management ratified the fiction that the House and Senate each have fewer

kind subsidy from their employer (taxpayers) of up to \$12,000, or about 70% of their premiums.

All that would be illegal for anyone else. In fact, it's illegal for Congress too. But since it was established administratively, it can be ended the same way. The president should announce that he is instructing OPM to end the exemption and subsidies for Congress.

This is smart politics. One poll found 94% of voters opposed the special deal for Congress. It would also lead to smart policy: Any continued failure to reform health care means members of Congress and their staff would suffer under the current system.

LIFE & ARTS

ART

The 28-Foot-Tall Visitor

How the Metropolitan Museum is installing one of its largest paintings, a Villalpando from Mexico's Puebla Cathedral

BY BRENDA CRONIN

A 17TH-CENTURY painting that towers almost three stories high has the **Metropolitan Museum of Art** rolling out the red carpet with a handful of scissor lifts and more than 16,000 pounds of sand.

The picture, completed in 1683, is the showstopper of "Cristóbal de Villalpando: Mexican Painter of the Baroque" an 11-painting exhibit opening July 25 in New York.

Even for the Met, which is adept at operations that marry the logistics of D-Day with the polish of a royal wedding, this was a tall order. For starters, only a few places in the museum could house Villalpando's 28-foot-tall work, "Moses and the Brazen Serpent and the Transfiguration of Jesus." The Met settled on Gallery 963, the skylit atrium of its Robert Lehman Wing. To display the painting, which is about 14 feet wide, the museum built a wall-like structure and base reinforced with metal and sand.

Until this year, the painting had never left its original site in a chapel of Mexico's Puebla Cathedral. Before coming to the Met, it was restored for the first time under the aegis of Agustín Espinosa Chávez, a Mexico-based conservator. The job included removing "kilos of dust from the back with a vacuum," he says. He and his team replaced the painting's original wood stretchers with ones of wood laminate over steel. They cleaned the elaborate frame, which is made of cedar bedecked with gold leaf.

For the journey to New York, the canvases were cushioned in felt and a paper-like material and rolled on to tubes. The painting was elastic enough to roll without cracking or shedding any original paint, Mr. Espinosa Chávez explained, thanks in part to Villalpando's thin layers of color as well as his chiaroscuro technique of us-



Riggers and technicians took five days to install Villalpando's 'Moses and the Brazen Serpent and the Transfiguration of Jesus' (1683) at the Met.

ing light and dark hues to add depth to the work. The new stretchers and the cedar-and-gilt frame were dismantled and packed in padded crates.

Mr. Espinosa Chávez and members of his team helped with the five-day installation. The painting was reattached to the stretchers, with Mr. Espinosa Chávez gauging the proper degree of tautness by placing his palm on the back of the canvas. "As a conservator, you organize the tension," he said, so the painting doesn't appear wavy or uneven when displayed.

"It's among the largest paintings I've installed," said Taylor Miller, the Met's Buildings Manager for Exhibitions. Mr. Miller, who has worked at the museum for more than a decade, pointed out that while the size of the work is unusual, the installation procedures and equipment—as well as the dozens and dozens of people involved in the planning and execution—arent. "We used the same ropes and pulleys that we use for smaller painting and tapestries,"

he said.

About 16 riggers, machinists, carpenters and technicians rehearsed the effort, including synchronizing the scissor lifts on which some of them perched to install the work. "They've done several dry runs," said Ronda Kasl, a curator in the American Wing at the Met. "They don't usually work off of 30-foot lifts." The canvases were hoisted on to the specially reinforced structure with cloth straps attached to the stretchers.

In his time, Villalpando was one of Mexico's most prominent artists. "This was by far the most important commission he had received to date that we know of, and it was his opportunity to shine," said Ms. Kasl, who began work on the exhibit four years ago. The work initially appears to be two paintings, a biblical twofer of scenes that have been tackled through the ages by Rubens, Michelangelo and other artists. The bottom half of the painting depicts an Old Testament story of repentance and the top is a portrait of



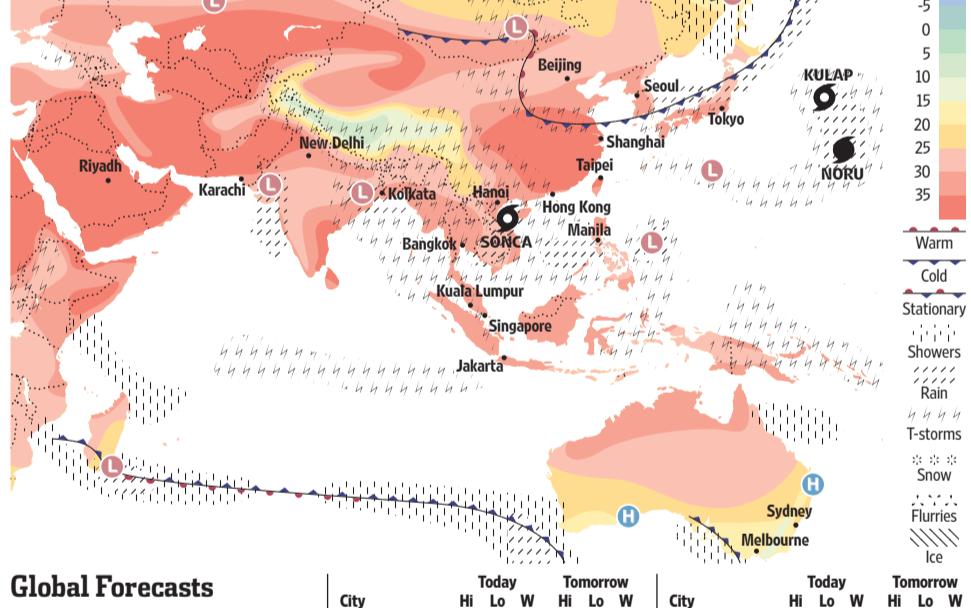
an effulgent Christ from New Testament accounts. The painting allowed Villalpando to portray—presumably while standing on a scaffold much of the time—a broad range of human figures and emotions. "He was really showing off in this picture," she said.

For Ms. Kasl and others at the Met, the masterpiece is yielding

revelations about Villalpando. Among them is the artist's casual habit of cleaning his paintbrushes on the flip side of the canvas, leaving spatters and daubs.

The museum organized the show with the Fomento Cultural Banamex, A.C., a nonprofit that focuses in part on preserving Mexican culture.

Weather

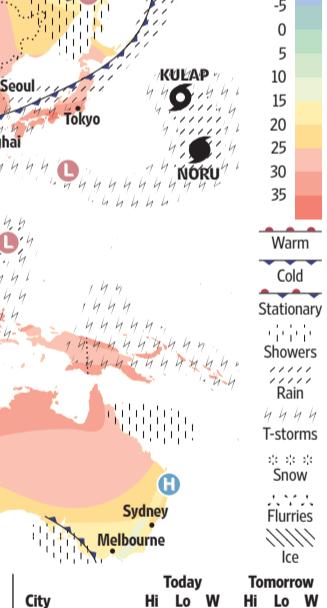


Global Forecasts

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

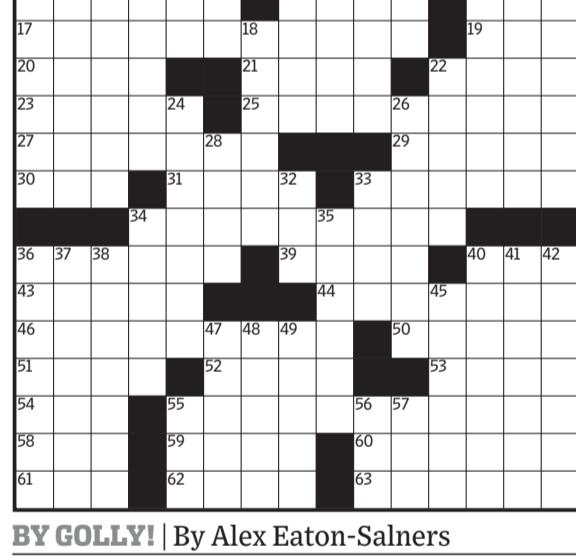
City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	20	14	sh	23	16	pc
Anchorage	16	12	c	17	12	sh
Athens	35	26	s	34	24	s
Atlanta	32	23	pc	31	23	t
Bahrain	46	30	s	46	29	s
Baltimore	28	19	pc	28	21	pc
Bangkok	32	27	t	31	26	t
Beijing	28	21	pc	24	20	r
Berlin	18	14	r	19	15	sh
Bogota	18	10	r	18	9	r
Boise	35	20	pc	35	19	pc
Boston	20	15	c	25	17	s
Brussels	20	13	sh	24	16	pc
Buenos Aires	16	14	c	20	15	c
Cairo	38	25	s	38	26	s
Calgary	24	11	s	28	13	s
Caracas	33	27	pc	32	27	pc
Charlotte	34	22	pc	31	21	t
Chicago	27	18	pc	31	22	pc
Dallas	38	27	s	38	27	s
Denver	35	17	t	28	16	pc
Detroit	27	18	s	29	21	pc
Dubai	44	35	pc	42	35	s
Dublin	21	14	pc	19	11	r
Edinburgh	19	12	pc	17	11	r
Frankfurt	17	15	r	22	15	r

AccuWeather.com



City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Geneva	19	12	sh	22	13	sh
Hanoi	32	26	t	31	25	t
Hong Kong	33	28	pc	33	27	t
Honolulu	31	24	t	31	24	pc
Istanbul	33	25	s	31	23	s
Jakarta	33	24	pc	33	24	s
Johannesburg	19	6	s	20	4	s
Kansas City	33	24	pc	33	23	pc
Las Vegas	35	28	t	37	28	pc
Lima	21	15	pc	21	15	pc
London	24	15	pc	20	14	s
Los Angeles	27	19	pc	29	19	pc
Manila	32	19	s	34	21	s
Manila	28	25	t	29	27	t
Melbourne	17	9	sh	13	5	r
Mexico City	23	14	pc	23	13	pc
Miami	33	27	pc	34	27	pc
Milan	31	16	s	32	18	s
Minneapolis	31	21	pc	28	18	t
Monterrey	36	22	pc	36	22	pc
Montreal	23	13	pc	25	19	c
Moscow	22	17	pc	25	18	t
Nashville	33	23	t	34	24	s
New Delhi	34	26	pc	34	27	c
New Orleans	33	24	t	33	25	pc
New York City	22	18	c	27	20	pc
Washington, D.C.	29	21	pc	29	23	pc
Zurich	18	12	sh	19	11	sh

The WSJ Daily Crossword | Edited by Mike Shenk



BY GOLLY! | By Alex Eaton-Salners

Across	Down
1 Graf who achieved a Golden Slam	22 "Well That Ends Well"
7 Slimming surgery, for short	23 Tricky stratagems
11 Tentative taste	25 Wave generator, of a sort
14 Trojan hero of a Virgil epic	27 Blue Jays pitcher Marco
15 Man (famed racehorse)	29 Martini garnish
16 Course goal	30 Austrian's article
17 Hyping	31 Plug away
19 "If you ask me..." to a texter	33 Christian of "Mr. Robot"
20 Pianist Gilels	34 Gruff character of fairy tale
21 River through Sudan	36 Most underhanded
	39 SpaceX founder Musk
	40 Down

▶ Solve this puzzle online and discuss it at WSJ.com/Puzzles.

59 Aaliyah hit "The... Gave My Heart To"	22 Key near G
60 Dolphins Hall of Famer Bob	24 Hit the spot
61 "Life of Pi" director Lee	26 Gospel singer Adams
62 Nasty fairy tale character	28 Numbskull
63 Morning buzzers	32 Washing solution
64 Partners of whistles	33 Before long
65 With pleasure	34 Partners of whistles
66 Struck with a sword	35 With pleasure
67 Olympics squad in red, white and blue	36 Ritchie Valens hit of 1959
68 Rhodes scholar, e.g.	37 Rhodes scholar, e.g.
69 Construction site job	38 Construction site job
70 Ass'n's kin	39 Fish on seafood menus
71 "Fess up!"	40 Disbelief
72 1975 Jackson 5 hit	41 Expunges
73 Do well	42 Pilot Earhart
74 Out of jail, conditionally	43 Squeezed the water out of
75 Scary cry	44 Edmonton NHL player
76 Tour for drivers?	45 Basic skateboarding maneuver
77 Web address	46 Basic skateboarding maneuver

Previous Puzzle's Solution

AWOL	TIFFNS	AJAM
LIVE	ONEAL	TARA
EVENINGSKY	HOMOS	XENON
CRAB	SOUZA	FEEDS
AMI	AMIS	NSYNC
WALLCALENDAR	BLANC	

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Tuesday, July 25, 2017 | B1

Yen vs. Dollar 111.2200 ▲ 0.08%

Hang Seng 26846.83 ▲ 0.53%

Gold 1256.00 ▲ 0.14%

WTI crude 46.24 ▲ 1.03%

10-Year JGB yield 0.071%

10-Year Treasury yield 2.255%

OPEC Takes Blame for Low Price

By GEORGI KANTCHEV
AND NATHAN HODGE

ST. PETERSBURG—The Organization of the Petroleum Exporting Countries and big oil-producing allies made a rare acknowledgment on Monday: They are part of the reason oil prices are low.

Until now, OPEC had largely blamed U.S. shale drillers for low prices, saying American producers ramped up output as the cartel carried out a cut. But on Monday, OPEC officials said they were looking inward and contemplating a crackdown on countries that aren't keeping their promises to lower output.

Saudi Arabia, the world's top oil exporter, announced it would go further than cutting its production and would also

limit its exports at 6.6 million barrels a day in August. Energy minister Khalid al-Falih said he wanted other countries to follow suit, noting troubling figures that showed some countries were still exporting huge amounts of oil.

OPEC also secured a production commitment from Nigeria, a cartel member exempted from last year's deal among OPEC and 10 non-OPEC producers to withhold nearly 2% of global oil supply from the market.

Crude prices rose after the meeting. Brent crude, the international benchmark, was up 0.9% at \$48.50 around midday in New York, while West Texas Intermediate, the benchmark for U.S. oil, was trading up 1% at \$46.24.

The announcements came



OPEC may crack down on those not keeping output-cut pledges.

after a frenzy of meetings here in St. Petersburg over the weekend and a meeting of big producers such as Russia at the Four Seasons Hotel. It all amounted to an admission

that prices have remained mired below \$50 a barrel in part because the coalition hasn't kept its promises so far.

"This is a collective effort," Mr. Falih said after the meeting, saying he had spoken to countries that haven't been cutting to "forcefully demand participation and the same level of commitment....We are not going to just sit back and watch."

Mr. Falih is under pressure to keep the OPEC deal from falling apart and raise prices higher. The Wall Street Journal has reported. The Saudi kingdom is preparing to publicly list its state oil company in 2018, and its valuation will depend in part on oil prices.

Mr. Falih has become increasingly concerned about the deal as prices kept falling

in recent weeks and bad news kept rolling in, according to people familiar with the matter. It culminated last week with tanker-tracking firm Petro-Logistics reporting that OPEC output rose above 33 million barrels a day this month, up 145,000 barrels a day from a month ago.

Even if Monday's news gives oil prices a lasting lift, OPEC still has to worry about U.S. shale producers taking advantage and throttling up their own output. That is what happened after last year's OPEC deal, and the flood of new oil from the U.S. is one reason that oil prices remain depressed.

But a new Saudi cut to its exports could have a real effect on the balance of supply

Please see OPEC page B5

WebMD Agrees To Buyout By KKR

By MATT JARZEMSKY
AND BOWDEYA TWEH

Private-equity firm KKR & Co. has reached a deal to buy WebMD Health Corp. for \$2.8 billion.

The New York-based health-information provider had been running an auction after publicly putting itself in play earlier this year.

KKR's Internet Brands plans to launch a tender offer in the next 10 business days to acquire WebMD shares for \$66.50 each in cash, WebMD said Monday.

The shares were trading at just over \$50 when WebMD said it would consider a sale. Midday Monday, they were up nearly 20% at \$65.99.

WebMD said the acquisition is expected to close during the fourth quarter.

WebMD was founded in the late 1990s by Jeffrey Arnold, who became a billionaire at age 29 when the company merged with Healtheon Corp. in 1999. In addition to its namesake website, featuring a symptom checker and glossary of medical terms, the company operates physician-focused Medscape.com, among other services.

The expected takeover comes as uncertainty surrounding health-care policy and drug pricing has damped demand for pharmaceutical marketing such as advertising on WebMD's websites. Executives noted that backdrop in February, as the company forecast slowing 2017 revenue and said it would explore a sale.

"We believe that this transaction will provide additional flexibility and resources to deliver increased value to consumers, health care professionals, employers, and health plan participants," Dr. Steven L. Zatz, WebMD's chief executive, said in prepared remarks.

WebMD also said Monday it expects to report in early August a second-quarter profit of \$18.9 million, or 43 cents a share, compared with a profit of \$17.8 million, or 39 cents a share, a year earlier. Revenue is expected to rise 5% to \$176 million. Analysts polled by Thomson Reuters were looking for earnings per share of 41 cents on revenue of \$171.6 million.

Private-equity firms have long seen WebMD as a target. In 2012, it scrapped an effort to sell itself, which came on the heels of billionaire investor Carl Icahn taking a stake in the company. In March, Blue Harbour Group LP, which was founded by a former KKR deal maker, disclosed an 8.99% stake in WebMD.

Wildfires Choke Lumber Supply

U.S. home builders fear higher prices as blazes and a trade spat leave wholesalers short of product

By BENJAMIN PARKIN
AND DAVID GEORGE-COSH

Wildfires in Canada are pushing up the price of lumber, threatening the supply to U.S. home builders.

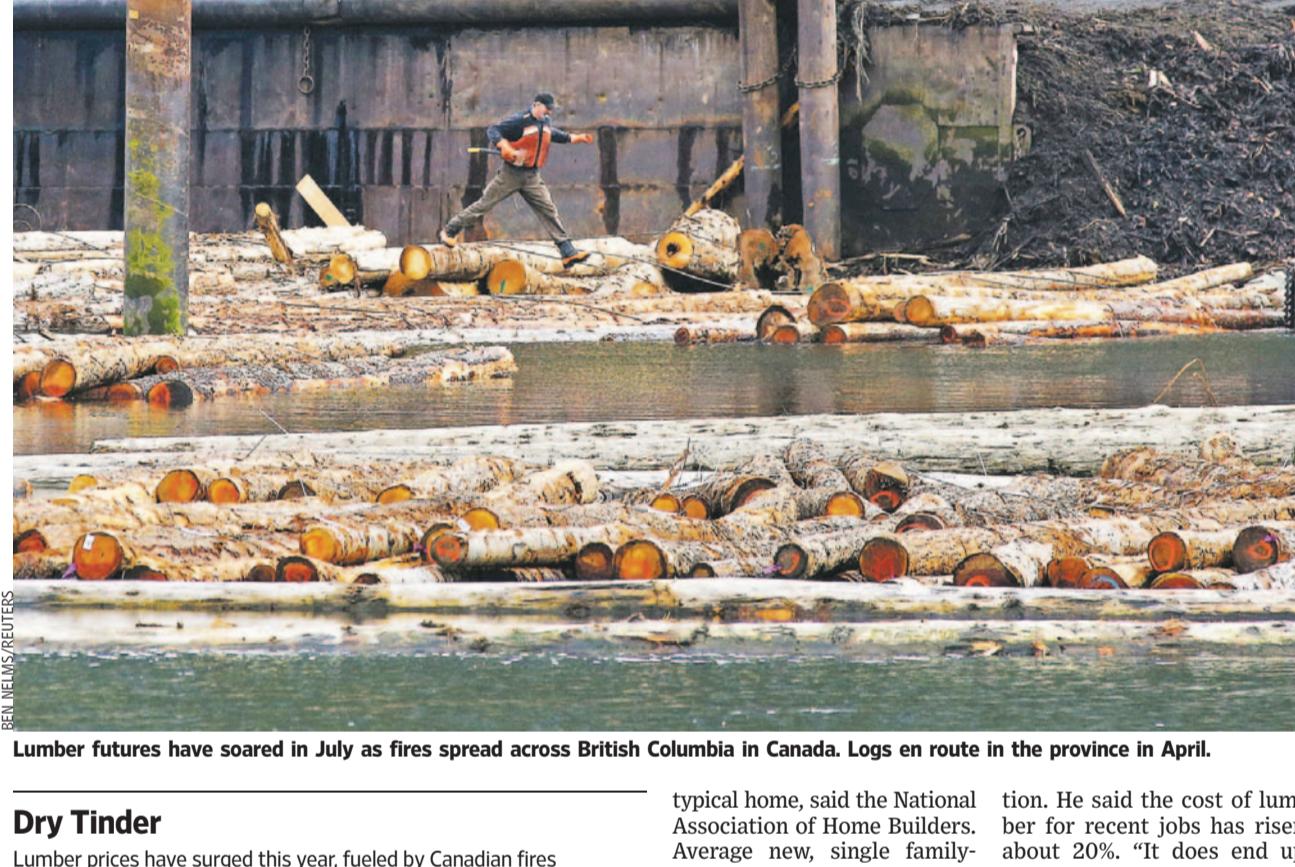
Lumber futures have soared in July as blazes spread across the province of British Columbia, leaving many U.S. wholesalers short of product. Lumber dealers ran down their inventories this year as a trade spat between the administration of President Donald Trump and Canadian officials sparked wild price swings. Then Canada's wildfires, a threat every summer, turned out to be the hardest on the lumber industry in more than a decade.

Now home builders in the U.S., which gets around a third of its lumber from Canada, fear prices might climb even higher as wholesalers try to restock amid the price surge. British Columbia produces nearly half of all Canadian lumber, according to Statistics Canada.

"People need wood now," said Paul Harder, a timber trader at wholesaler Dakeryn Industries in North Vancouver, which sells to U.S. lumber yards. "Little lumber is being offered out there."

Lumber futures at the Chicago Mercantile Exchange, an indicator of price expectations for the months ahead, rose above \$400 per 1,000 board feet in mid-July. That was near a 12-year high reached in April before the Trump administration accused Canada of unfairly subsidizing its forestry industry and started slapping tariffs as high as 30% on some timber imports to the U.S. Canadian officials deny the allegations.

The tariffs, which are preliminary and could be rolled back this year, add an estimated \$1,700 to the price of a



Lumber futures have soared in July as fires spread across British Columbia in Canada. Logs en route in the province in April.

Dry Tinder

Lumber prices have surged this year, fueled by Canadian fires and a U.S.-Canada trade dispute.

CME random length lumber front-month contracts



Source: CQG

typical home, said the National Association of Home Builders. Average new, single family-home prices rose to a record \$406,400 in May, according to the Commerce Department.

A fifth of U.S. home builders reported a shortage of framing lumber in May, according to a survey by the association and Wells Fargo.

Confidence among home builders fell to an eight-month low in July amid concerns over rising lumber costs, the association said last week.

"You can't budget for unforeseen lumber costs," said Brett Boyce, owner of Split Rock Fine Homes in St. George, Utah, and president of the state's home builders' associa-

tion. He said the cost of lumber for recent jobs has risen about 20%. "It does end up getting passed along to the consumer," he said.

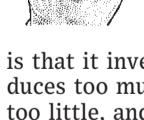
David Goodwin Jr., a home builder in Memphis, Tenn., has already raised prices about 5% since the lumber tariffs took effect. He said he worries the wildfires could stoke further lumber price increases.

A stronger Canadian dollar also has weighed on lumber shipments. The currency has gained nearly 10% against the U.S. dollar since May. Now U.S. home builders say Canada's raging wildfires are threatening to push prices even higher at the peak of the summer.

Please see LUMBER page B2

HEARD ON THE STREET | By Nathaniel Taplin

China's Overcapacity Gets a Welcome Trim



One of Western politicians' biggest complaints against China

is that it invests and produces too much, consumes too little, and expects the rest of the world to absorb the remainder. But in the worst-offending sectors, including global trade flashpoints like steel, aluminum and petrochemicals, the picture is brightening at last.

That could help put a floor under commodity prices, even if Chinese overcapacity is far from cured.

The recent improvement partly stems from an uptick in construction at home taking in more steel and cement. But there is also evidence that China's endless

steel and aluminum plants have been working, slowing the country's reckless over-investment.

One way to tell things are different is that gross profit margins for producers of metals like aluminum and copper are no longer declining. Those margins had halved between 2011 and mid-2015 to just 6%, dragging that of global competitors down with them.

At that point, investment in areas like metals smelting, cement and chemicals turned negative and hasn't recovered since. Beijing appears to have realized that allowing China's army of small producers to keep spewing dust and chemicals into the faces of unhappy middle-class citizens, while simultaneously crushing

Please see HEARD page B2

Bank-Executive Pay Quietly Shrinking

BY TELIS DEMOS
AND DAVE MICHAELS

Trump administration regulators have signaled they want to abandon long-simmering plans to further regulate pay on Wall Street—but it may not matter.

Aspects of the Dodd-Frank law passed in 2010 under President Barack Obama along with changes in the economics of the banking industry have already resulted in tighter compensation controls.

Portions of the Dodd-Frank mandate—including making pay more sensitive to risk and long-term results—have made it into guidelines adopted by the Federal Reserve and other agencies. Banking groups have said their members follow the guidelines, but Washington and Wall Street have wrangled for years over whether they need to be locked in with formal rules.

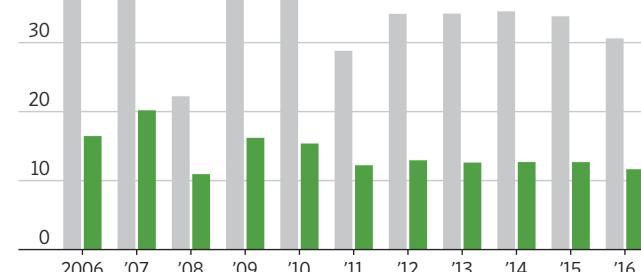
Last week, regulators including the Securities and Exchange Commission dropped

efforts to craft those tougher provisions from their published agendas. Those proposals included longer deferral periods for bonuses and longer periods during which the payouts are subject to potential claw backs.

New Normal

Pay and revenue on Wall Street have both declined since the financial crisis.

Goldman Sachs's annual revenue (■) and compensation (■)



An SEC spokesman declined to comment on the changed agenda. But Republican lawmakers and regulatory officials have long complained that Dodd-Frank included many measures unrelated to the financial crisis that

spurred its passage.

Barney Frank, the former Democratic congressman who co-sponsored the landmark legislation, said he was unhappy but not surprised that regulators under the Trump administration are halting work on the rules. Because of GOP majorities in Congress and a Republican president in the White House, he says, the agencies "will be able to get away with much of this."

In theory, a regulatory pull-back now could prompt banks to resume some precrisis practices, such as cash bonuses that are free from multiyear vesting periods or dropping provisions that claw back pay for bad behavior.

But big banks already have made moves to rein in pay, pressured by shareholders seeking higher dividends and stock buybacks and as they work under higher capital requirements that have pressured profitability and squeezed the amount of money

Please see PAY page B2

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LUMBER

Continued from the prior page
construction season.

"A lot of guys had their hands in their pockets waiting for some lower prices in August," said Brian Leonard, a lumber analyst at the Chicago Board of Trade. "It's the perfect storm."

Not all are seeing the impact yet. Alan Laing, executive vice president of home building operations for Taylor Morrison Inc., said it is "business as usual" for the Arizona-based home builder, which operates in eight states and had 2016 revenue of \$3.6 billion. The prices Taylor Morrison obtains from lumber distributors is a 90-day blended average that doesn't take into account the recent increase seen on the futures market, he said.

"We expect pricing to be flat over the next two to three months," he said. Additionally, Mr. Laing said he hasn't heard from suppliers about a potential shortage of lumber, although if wildfires continue, that could lead to an increase

in prices of oriented strand board, a type of particle board lumber produced in British Columbia that is used for roof and wall sheathing.

Canadian officials said Sunday that some 150 fires were still burning in British Columbia, where about 30,000 people have been evacuated.

More than a half-dozen lumber mills, which produce about 14% of the province's timber and 3% of North American output, according to industry newsletter Random Lengths, have closed. Forest fires haven't affected prices so dramatically since 2003, said Jon Anderson, the newsletter's publisher.

About 913,000 acres have burned, an area the size of Rhode Island. British Columbia Premier John Horgan on Wednesday extended a state of emergency in the province for an additional two weeks.

Meanwhile, U.S. lumber merchants say their stocks are running low.

"I wish I had more, but I don't," said Stinson Dean, a lumber wholesaler in Kansas City, Mo. "People were gearing up to restock and then the forest fires happen."

Tancy Wood Mackenzie. Such trends should give investors confidence that, for example, the 10% rally in aluminum prices this year is sustainable.

The remaining worry is that longstanding distortions in China's financial sector will keep money flowing to places it doesn't belong—signs of increasing overinvestment in the oil-refining sector is one example.

It is too soon to declare the war against Chinese industrial overcapacity is over. But that shouldn't blind investors to incremental victories.

HEARD

Continued from the prior page
margins at key state-owned companies, was no longer viable.

With investment in superfluous capacity stalling, the decline in margins in the coal and steel sectors appears to have bottomed out. Aluminum is now in the crosshairs: An April directive to shut illegal smelters by this fall could cut capacity equal to 9% of China's total 2017 output, according to energy consul-

tancy Wood Mackenzie. Such trends should give investors confidence that, for example, the 10% rally in aluminum prices this year is sustainable.

The remaining worry is that longstanding distortions in China's financial sector will keep money flowing to places it doesn't belong—signs of increasing overinvestment in the oil-refining sector is one example.

It is too soon to declare the war against Chinese industrial overcapacity is over. But that shouldn't blind investors to incremental victories.

ADVERTISEMENT

Legal Notices

BANKRUPTCIES

NOTICE OF COURT MEETING IN THE GRAND COURT OF THE CAYMAN ISLANDS FINANCIAL SERVICES DIVISION

CAUSE NO.: FSD 100, 101, 102 and 103 of 2017

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2016 REVISION) OF THE CAYMAN ISLANDS AND

IN THE MATTERS OF DRILLSHIPS FINANCING HOLDING INC., OCEAN RIG UDW INC., DRILL RIGS INC. AND DRILLSHIPS OCEAN VENTURES CAYMAN (EACH IN PROVISIONAL LIQUIDATION)

NOTICE IS HEREBY GIVEN that, by orders dated 20 July 2017 (the "Orders") made in the above matters, the Grand Court of the Cayman Islands (the "Court") has directed that four separate meetings (the "Scheme Meetings") be convened on 10 August 2017 at 10:00 a.m. (Cayman Islands time) or as soon thereafter as the Scheme Meetings are completed, at which place the holders of Scheme Creditors of record on 5 August 2017 will be entitled to vote. All Scheme Creditors are requested to attend and participate and voting at the Scheme Meetings will be in person or by proxy in accordance with the voting instructions set out in the Explanatory Statement. A telephone dial-in facility will be made available for those Scheme Creditors who have been provided with a telephone number and a password.

Mr. DOV: 11 a.m. (Cayman Islands time) or as soon thereafter as the Scheme Meetings are completed, and the telephone number and password will be provided to Scheme Creditors on or before 9 August 2017.

Mr. DRH: 11:30 a.m. (Cayman Islands time) or as soon thereafter as the Scheme Meetings are completed, and the telephone number and password will be provided to Scheme Creditors on or before 9 August 2017.

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Mr. DRH: 1

BUSINESS NEWS

Arconic Distances Itself From Deadly Fire

BY BOB TITA
AND IMANI MOISE

Arconic Inc. Interim Chief Executive David Hess on Monday expressed sympathy for the victims of a deadly fire last month in London's Grenfell Tower, but stressed the company had no control over the use of its aluminum panels on the building's exterior.

The company said it would continue to refrain from selling its Reynobond PE aluminum composite panels for use in high-rise buildings after investigators suspected the panels contributed to the spread of the fire on June 14 that killed 80 people.

Arconic said the Reynobond PE panels, which feature a polyethylene core between two sheets of aluminum, are certified for use as a construction material in the U.K. and other countries.

The company's shares slid sharply in the wake of the fire as investors questioned whether it would face any legal consequences from supplying the materials, though the stock has since recovered.

Concerning the fire, Mr. Hess said, "We extend our deepest sympathies to those who have lost so much."

But New York-based Arconic said the panels were one component of a wall-cladding assembly on Grenfell Tower featuring insulation and other materials that were put together by architects, contractors, fabricators and others. "Those parties are responsible for ensuring that the cladding systems are compliant under the appropriate codes and regulations," Arconic said in its second-quarter earnings release.

Arconic said it doesn't "control the ultimate design and installation of the final cladding system."

Mr. Hess sidestepped a question about the company's ability to handle potential liability costs for the Grenfell fire, saying only that "we have appropriate insurance coverage."

His comments came as Arconic reported better-than-expected second-quarter profit and raised its 2017 outlook. It also raised its full-year performance outlook, lifting the range of expected sales to \$12.3 billion to \$12.7 billion from previous guidance of \$11.8 billion to \$12.4 billion. Arconic also boosted the floor on its adjusted per-share earnings forecast by 5 cents, on a range of \$1.15 to \$1.20.

Arconic has been under pressure to cut costs since splitting off from aluminum maker **Alcoa** Inc. last November. The company's adjusted earnings margin before taxes rose to 14.9% from 14.7%.

Sales in its rolled products segment fell 4% as the company wound down its aluminum-can business in Tennessee. Excluding this impact, sales jumped 8%, outpacing the 1% growth in the much scrutinized engineered-products business.

Arconic reported earnings of \$212 million, or 43 cents per share, compared with \$135 million, or 27 cents a share, a year earlier. On an adjusted basis, earnings slipped to 32 cents per share from 33 cents last year, when results still included expenses related to Alcoa. Revenue edged up 0.8% to \$3.26 billion. Analysts were expecting earnings of 26 cents a share on \$3.18 billion in revenue.



The firm said it couldn't control how its aluminum panels are used.

LUKE SHARRETT/BLOOMBERG NEWS



Expedia's HomeAway took part in an April ad campaign in Paris.

Big Travel Firms Make Push Into Airbnb's Turf

BY CHRIS KIRKHAM

Airbnb Inc.'s grip on the market for short-term home rentals is giving big travel portals like **Expedia** Inc. and **Priceline Group** Inc. a fast-growing challenge.

Expedia and Priceline have dominated hotel bookings for two decades. But with the vacation-rental industry rapidly expanding as a popular alternative to hotel stays, the online travel giants are betting big on the sector by boosting their inventory of home-rental options that can be booked similarly to a hotel, with just a few clicks.

The so-called private-accommodation market, which includes vacation rentals, homes or rooms rented out on a short-term basis, is about one-fifth the size of the hotel market based on revenue in the U.S., but it has been growing faster than hotels since 2015, according to data from travel industry-research group Phocuswright. Revenue in the U.S. private accommodation market grew 11% last year from the year earlier, and is projected to grow 8% this year to more than \$34 billion; the U.S. hotel industry grew 5% last year to \$151 billion and is projected to do the same this year, according to the data.

An Airbnb spokesman distinguished the company's platform from others, saying a vast majority of listings on the site can only be found there. "Unlike the more conventional places to stay offered by others, Airbnb offers the unique accommodations and experiences travelers want," said spokesman Nick Papas.

There are growing pains as the vacation-rental sector increases in size and sophistication. Perhaps most important, a home is a very different kind of asset than a hotel.

Hotels vary widely in amenities, but most customers know what to expect.

Homes, however, come in all shapes and sizes, making direct comparisons trickier. There is no 24-hour front desk attendant on hand, and owners often have extensive lists of special instructions about properties.

As online travel sites seek to transform vacation rentals into a hotel-like commodity, owners increasingly are handing over control of their businesses in exchange for the online exposure.

Brian Harris of Harris Properties Management Inc., which manages about 90 vacation rental properties along the Alabama Gulf Coast, has listed on home rental site VRBO (now owned by HomeAway and Expedia) since the mid-2000s. The business model has shifted from a listings site, where property owners pay an annual fee to advertise, into a booking platform where travelers pay a fee to book on the site.

Mr. Harris said he feels increasingly distanced from his customers. Rather than listing a phone number to contact owners with questions before booking, HomeAway recently started directing them to a company call center.

The switch has presented challenges. Mr. Harris said a recent guest was trying to book a home near family in Gulf Shores, Ala., and was told by a customer service agent that the listing was close by. It turned out to be 20 miles away, and the customer was upset, Mr. Harris said.

"One of the main advantages we've got is this staff that's knowledgeable about the properties," he said. "This is more about VRBO and HomeAway keeping that guest in their pipeline and getting the guest fee, rather than what the guest wants."

HomeAway President John Kim said the goal is to prevent fraud and give guests a consistent experience. "There's a lot of consumers who get lost in the conversation" if emails are coming from a property manager they don't recognize, he said. The company said the guest can still contact an owner directly after the property is booked.

year earlier, to nearly \$2.7 billion.

Priceline Group's Booking.com has expanded its vacation rental inventory by 50% to 613,000 properties and 2.5 million listings over the past year, according to its most recent filing.

Booking.com, a dominant player in Europe, has seen its inventory of vacation rentals grow at more than twice the rate of other properties, including hotels, over the past year.

"For a very, very long time people have wanted to have this type of product," said Priceline Group CEO Glenn Fogel. "It's not so much that people have changed. I believe technology has enabled this type of rental property to be so much easier for people to find."

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M/s Engineers India Ltd. on behalf of M/s Hindustan Petroleum Corporation Ltd. invites digitally signed & sealed (encrypted) e-tenders (online bid to be submitted only at site <https://etender.hpcl.co.in>) under single stage two bid system i.e. unpriced bid and priced bid in prescribed bid document from eligible bidders for "SUPPLY OF PUMP CENTRIFUGAL, MULTISTAGE (SPP) for MDPL Capacity Expansion and Palanpur-Vadodara Pipeline Project" (Tender No : 17000043-HD-10129). Pre Bid meeting : At 1330 Hours IST on 31.07.2017.

Tender submission due date: Up to 17.08.2017 (1600 Hours IST). Unpriced bid opening : 1630 Hours IST on 17.08.2017

The tender details/documents including EMD requirement etc. can be viewed and downloaded 17.07.2017 onwards from our web sites <https://etender.hpcl.co.in> and www.hindustanpetroleum.com (under tender section: link "Tenders & Contracts") All revisions, clarifications, corrigenda, addenda, time extensions etc. to the tender will be hosted on <https://etender.hpcl.co.in> and www.hindustanpetroleum.com. Bidders should regularly visit these websites to keep themselves updated.

Dy. General Manager, Engineers India Ltd.

BUSINESS OPPORTUNITY

GOVERNMENT OF MAHARASHTRA

NOTICE INVITING TENDER

E-TENDER NOTICE NO. 10 FOR 2017-18

The Public Works Department, Government of Maharashtra, The Principle Secretary, Public Works Department (the "Authority") represented by the Executive Engineer, P.W.Division, Ahmednagar is engaged in the development of highways and as part of this endeavor, the Authority has decided to undertake development and operation / maintenance of the single Project (the "Project") on [Design, Build, Operate and Transfer (the "DBOT")] Hybrid Annuity basis, and has decided to carry out the bidding process for selection of a private entity as the Bidder to whom the Project may be awarded.

Brief particulars of the Project are as follows:

Sr. No.	State	Dist.	Pack-age No.	Name of Project	Project Length in (km)	Project Cost	Earnest Money / Bid Security	Duration Of the Project	Cost of Tender Fee Document
1)	Maharashtra	AHMEDNAGAR	NSK - 52	A)Improvement of MSH8 to Ghoghargao Karjat MDR 66(0+000 to 30+030); B)Parner Supa Sarola road SH-69 Km 0+000 to 13+970), C)Paregaon Phata to Shirgonda SH-67 Km0+000 to 13+700, D)Pathardi Mohta Dev temple NH222 SH-59 and ODR-93 to 0+000 to 16+395 and 0+000 to 1+992) E)Improvement of road Randhafall to Varangshushi MDR-19 Km, F)SH-50 and MDR-27 171/400 to 176/400 and 37/700 to 38/700 (Newasa to Newasa Phata-Dnyaneshwar Devsthan Mandir (0+000 to 6+387) and G)Shrirampur-SH50 (0+000 to 5+753) & Ahmadnagar SH58 (0+000 to 2+800), District Ahmednagar in the state of Maharashtra from Ch-0.000 to Ch-106.445	106.445 Km.	₹ 181.85 Crore	₹ 1.81 Crore	18 months	₹ 50,000/-

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Procurement of Security Features for Indian Banknotes- Global Pre Qualification Bid Notice

We advise that the Global Pre Qualification Bid Notice (PQBN) No 5323/2014-15 dated June 19, 2015 for Supply of Security Features for Indian Banknotes and the Global Pre Qualification Bid Notice (PQBN) No 2261/2015-16 dated December 21, 2015 for Supply of Security Fibre for Indian Banknotes stands cancelled. All bidders for the aforesaid PQBNs may note the cancellation.

Issuance of a New Global Pre Qualification Bid Notice

A new Global Pre Qualification Bid Notice (PQBN) No. 224/2017-18 has been notified for supply of security features for Indian Banknotes, which is available on RBI website (www.rbi.org.in) under the section "Tenders".

Chief General Manager

Department of Currency Management, Central Office Reserve Bank of India, Mumbai – 400 001

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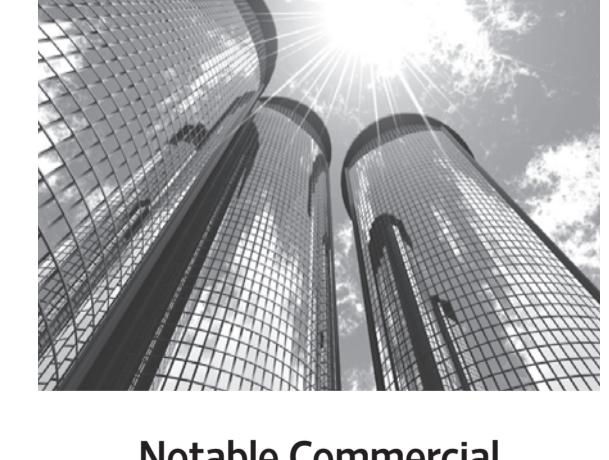
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THE WALL STREET JOURNAL.

Sr.No.	Event Description	Date
1.	Invitation of RFP (NIT) (Download period of online tender)	Dt. 14/07/2017 at 10.00 am to Dt. 11/09/2017 at 23.00 pm
2.A	Last date for receiving queries for pre-bid No.1	4/8/2017 upto 10.30 am
2.B	Pre-Bid meeting No.1	Online or in the office of the Chief Engineer, Public Works Region, Nashik on or before Dt. 4/8/2017 upto 11.00 am.
2.C	Authority response to queries for Pre-Bid Meeting No.1	9/8/2017
3.A		

GrabTaxi's Value to Top \$6 Billion With New Funds

By ZA LIN
and NEWLEY PURNELL

Singapore-based GrabTaxi Holdings Pte. said Monday it plans to raise \$2.5 billion in Southeast Asia's largest round of startup fundraising to date, as the ride-hailing company seeks to battle Uber Technologies Inc. across the region.

Japan's SoftBank Group and Chinese ride-hailing company Didi Chuxing Technology Co. will lead the current round of investment, along as much as \$2 billion.

Grab, as the company is known, which operates ride-car, taxi, motorcycle carpool bookings across 10 countries in the region, needs to raise an additional million from existing and new investors, the company said.

The new investors aren't disclosed.

The deal would value Grab over \$6 billion, making it the region's most-valuable startup, according to a person familiar with the situation.

The Wall Street Journal reported earlier this month on the fundraising round.

Grab's cash injection adds to Uber's challenges as it pushes for global expansion. The San Francisco company is struggling with management challenges at home and strong competition from rivals overseas.

Uber co-founder Travis Kalanick relinquished his role as chief executive last month after an investigation into sexual harassment and sexism at the company, although he remains a director.

Grab, founded in 2012 by Harvard Business School classmates Anthony Tan and Tan Hooi Ling, will use the money to strengthen its market share and mobile-payments business, the company said.

Southeast Asia's ride-hailing market could expand to \$13.1 billion by 2025—from \$2.5 billion in 2015—according to a report last year by Alphabet Inc.'s Google and Singapore state-investment firm Temasek Holdings.



A Foxconn plant in China's Guizhou province in 2014. The Taiwan-based company has said it was looking at seven states in the U.S. where it would invest a total of \$10 billion or more to manufacture flat-panel screens and related equipment.

Foxconn Nears U.S. Moves

iPhone assembler considers Wisconsin for display panel site; Detroit plant possible

By YOKO KUBOTA
AND TAKASHI MOCHIZUKI

Taiwan's Foxconn Technology Group, which assembles Apple Inc.'s iPhones, is nearing a decision to invest in Wisconsin and could hold an event in Washington, D.C., as soon as this week to discuss U.S. investment plans, people familiar with the matter said.

In Wisconsin, Foxconn is looking at producing display panels that can be used in large-screen television sets, three people briefed on the plans said.

The investment, if confirmed, would be the latest by Asian manufacturers in the U.S. as President Donald Trump seeks to revive man-

ufacturing there.

Foxconn, formally known as Hon Hai Precision Industry Co., has said publicly that it is looking at seven states in the U.S., where it would invest a total of \$10 billion or more to manufacture flat-panel screens and related equipment. In June, a company executive identified the seven as Illinois, Indiana, Michigan, Ohio, Pennsylvania, Texas and Wisconsin.

In addition to Wisconsin, Foxconn is looking in the Detroit area for a possible plant, two people familiar with the plans said. It wasn't clear what that plant would make.

The people cautioned that a final decision hasn't been set. They said Foxconn was contemplating events in Washington, D.C., and Wisconsin to discuss its plans.

In an email, Foxconn said it was reviewing "potential locations for establishing manufacturing facilities in the U.S." but declined to name them.

In June, Foxconn Chief Executive Terry Gou said his company would work with Sharp Corp., a Japanese electronics maker in which Foxconn acquired a controlling stake last year, to develop U.S. manufacturing plans. A Sharp spokeswoman declined to comment.

Mr. Gou has been meeting U.S. political leaders to discuss possible sites, people familiar with the talks said. House Speaker Paul Ryan, a Republican who represents a district in southeastern Wisconsin, said earlier this month that he has met Foxconn officials.

Foxconn is the world's largest electronics contract manufacturer, assembling iPhones, videogame machines and other products. Its factories are mostly in China, and previous discussions to expand manufacturing to the U.S. haven't materialized.

In 2013, Foxconn said it might invest \$40 million in

Pennsylvania for manufacturing and research facilities. In 2014, Mr. Gou said he was studying the feasibility of an advanced-display manufacturing plant in the U.S. No idea made headway.

Foxconn is building an \$8 billion flat-panel factory in southern China's Guangdong province, where it will build advanced liquid-crystal displays technology from Sharp.

Sharp's display panels are used in products including large-screen TV sets, smartphones and tablet computers.

A number of other Asian manufacturers have been looking at expanding U.S. production. In June, Samsung Electronics Co. announced a \$1.5 billion investment to expand its U.S. home-appliance manufacturing operations in South Carolina. Also in June, Home appliance maker AM General said it is selling an assembly plant in Indiana to China-backed Geely Motors for \$110 million.



This latest cash injection adds to Uber's challenges as San Francisco-based Uber pushes for global expansion.

Amazon, Wal-Mart Spar Over Forklifts

By ZA NASSAUER

The rivalry between Wal-Mart Stores Inc. and Amazon.com Inc. has reached a new level, as both companies turn to the warehouse fork-lift market.

Wal-Mart secured the right to exclusively sell in the U.S. in April, Amazon agreed to spend \$70 million on Plug Power's vehicles and received rights to buy as many as 55.3 million shares in the company, a 19% stake.

Wal-Mart will receive warrants to purchase the exact same number of shares, though its initial price will be higher than Amazon's because Plug Power's stock price has risen 63% since announcing its Amazon deal. Wal-Mart's potential stake is 17%, Mr. Marsh said.

distribution centers this year, an investment the manufacturer valued at \$80 million. Wal-Mart is already Plug Power's biggest customer, with 5,500 of the company's units in 22 warehouses.

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The warrants vest based on how much the two retailers spend on Plug Power's products and services. Wal-Mart and Amazon would need to spend \$600 million each for all their warrants to vest.

Plug Power's vehicles are powered by hydrogen fuel cells as an alternative to lead-acid batteries. Through a chemical reaction, fuel cells convert natural gas, hydrogen or other gases into electricity. Traditional batteries need to be changed more often and the process is slower than recharging a forklift powered by fuel cells, Plug Power executives say.

Plug Power also sells fuel-cell-powered vehicles to Home Depot Inc., Kroger Co. and

others. It generated \$85.9 million of revenue in 2016, and Wal-Mart accounted for 34% of it.

But the company hasn't had an annual profit since its founding in 1997.

The Latham, N.Y., company's once highflying stock tumbled as low as 12 cents in 2013. The shares closed Friday at \$2.44.

Amazon and Wal-Mart are investing heavily in technology to make their warehouses more efficient to keep up with surging online order volumes. They have taken different approaches.

Wal-Mart has bought automation systems developed by third parties, including Germany's Kuka AG, that can cost

tens of millions of dollars per facility. Amazon has largely developed its warehouse technology in-house since acquiring

robot maker Kiva Systems Inc. for \$775 million in 2013.

—Brian Beacock contributed to this article.

BUSINESS WATCH

Mr. Nolan's "Inception," starring Leonardo DiCaprio, which opened to \$9 million in 2010.

"Dunkirk" also performed particularly well in South Korea, opening to \$10.3 million.

"Dunkirk" has yet to open in a few major markets, including China, where it is set to make its debut on Sept. 1.

—Ben Fritz

ANGLO AMERICAN PLATINUM Miner Reports Loss As Revenue Declines

Anglo American Platinum Ltd., the world's top platinum producer, swung to a first-half loss, reflecting a stronger South African rand, impairments and lower sales.

The Johannesburg-listed miner, also known as Amplats, reported a loss of 1.19 billion rand (\$92 million) for the six months ended June 30, compared with a year-earlier profit of 1.54 billion rand.

The company's latest results were in line with its previously announced guidance. The loss in the latest quarter included post-

tax impairments of 2.21 billion rand, consisting of about 900 million rand related to Union mine and equity interests in Bakeng Rasimone Platinum Mine of roughly 950 million rand and Bokoni Platinum Holdings of about 45 million rand.

Amplats, a majority-owned unit of Anglo American PLC, reported headline earnings, which strip out certain exceptional and one-off items, of 747 million rand for the first half of 2017, down 55% from the same period a year earlier.

Anglo American Platinum, like other South African platinum producers, has been hammered by labor issues and years of low prices, which have driven away investment.

At June 30, the company's net debt was 5.91 billion rand, down 40% over the last year.

Total refined platinum production at the company rose 9.6% to 1.1 million ounces in the first half.

Meanwhile, refined platinum production from the company's own mining operations fell 20% to 615.6 million ounces from the first half of 2016.

Amplats reported net revenue of 27.3 billion rand for the first half, down 11% from the six months ended June 30, 2016.

TIME INC.

Firm Aims to Sell Big Stake in Essence

Time Inc. is looking to sell its majority stake in Essence, the monthly African-American women's lifestyle publication focused on entertainment, fashion and beauty and culture, the latest big move by the publisher since it decided against selling the tire company this spring.

"We want to unlock the value here," said Rich Battista, Time Inc.'s chief executive, in an interview. "We think the best way to do that is to bring in a strategic partner with investment capital."

Mr. Battista said he hopes to complete a transaction by the end of the year.

Time Inc., which is struggling with declining print advertising revenue like much of the publishing industry, ended talks with potential buyers in late April.

The media company said at the time it intended to focus on its core brands, among them People, InStyle and Real Simple. Time Inc. also said it would look to outright sell some of its noncore assets. Mr. Battista said he viewed Essence as a core despite the decision to sell for a majority investor.



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FINANCE & MARKETS

HNA Asks BofA to Clarify Its Intentions

Chinese firm wants bank to respond to report it wants to end their business dealings

BY JULIE STEINBERG

Chinese conglomerate **HNA Group** Co. has told **Bank of America** Corp. that it is surprised by reports that the bank no longer wishes to do business with the group, and has asked for clarification on the bank's stance, according to a letter viewed by The Wall Street Journal.

The letter, which provides an unusual window into the normally secretive relations between an investment bank and its client, is dated July 21 and addressed to Bank of America Chief Executive Brian Moynihan from HNA CEO Adam Tan.

In it, Mr. Tan said that the bank's "team from Asia just this morning expressed strong interest to my team in continuing to work with us in a deal in the U.S. as a financial adviser."

That is in apparent contradiction to an internal Bank of America email that reportedly stated the bank would no longer be involved with HNA because of uncertainty about the group's ownership and corporate structure.

The email, from Bank of America's Asia-Pacific chief, Matthew Koder, was first reported last week by the New

York Times.

"On behalf of HNA Group, I am writing to share my surprise and disappointment at written comments recently attributed in various media outlets to Matthew Koder," wrote Mr. Tan.

Separately, HNA Group on Monday detailed its new ownership structure and list of shareholders, according to a document viewed by the Journal.

Mr. Tan said HNA took "great exception" to the statements Mr. Koder reportedly made about the difficulties in figuring out the group's ownership, and asked whether Mr. Koder's remarks "reflect a new official BAML policy" regarding HNA, according to the letter, referring to Bank of America Merrill Lynch.

Mr. Tan asked whether this statement also applies to HNA's public and private affiliates and subsidiaries.

HNA has had "limited interactions with BAML in recent years" and the bank has "never provided financing or advised...in any of our major acquisition transactions," Mr. Tan wrote.

Mr. Tan asked whether Bank of America's approach had changed toward Chinese companies in general, arguing that HNA is "one of the most global and transparent multinational companies" based in China.

A spokesman for Bank of America declined to comment on Mr. Tan's letter or to make



HNA Group CEO Adam Tan, center, in a letter professed 'surprise and disappointment' at remarks attributed to a BofA executive.

Mr. Koder available for comment. A spokesman for HNA said the company "actively partners with various global investment banks, both directly and through its subsidiaries, and continues to do so."

HNA has worked with UBS Group AG and **J.P. Morgan Chase & Co.** on its deals. **Citigroup** Inc. isn't allowed to advise the company because of concerns about its ownership, and **Morgan Stanley** can work with HNA's subsidiaries but doesn't work with the group, according to people familiar with the matter.

HNA Details a New Owner Structure

One of China's most acquisitive conglomerates, privately owned **HNA Group**, has unveiled a new ownership structure in a bid to eliminate doubt over who ultimately controls the group.

In a document released by the company on Monday and reviewed by The Wall Street Journal, HNA Group detailed a

list of 15 individuals and entities who it said are the group's ultimate owners.

In the biggest change from previous disclosures, the international arm of HNA's charitable foundation, which was set up in New York last year, has become the group's biggest beneficial owner, with a nearly 30% stake. Together with the domestic arm, formed in 2010, the **Cihang Foundation** entities now own more than 50% of the HNA Group.

Other large stakeholders in-

clude HNA founders and chairmen of the board Chen Feng and Wang Jian, who each own 14.98%. Adam Tan, another founder and HNA's chief executive, holds 2.95%. Mr. Tan is seen as the man behind HNA's sprawling investments.

The changes in shareholding took place this year, said a person familiar with the group's strategy. The Cihang Foundation arms and other ultimate owners hold their stakes indirectly through investment holding companies, the person said.

Board Cited in Bank's Collapse

When Europe's central bank orchestrated an overnight rescue of **Banco Popular Español SA** in June, the immediate spark was a bank run that left the Spanish lender close to collapse.

By Jeannette Neumann
in Madrid and
Patricia Kowsmann
in Frankfurt

But Banco Popular's problems ran deeper, touching an area that has been difficult for European regulators to address: poor governance.

The bank's problems, governance specialists say, included board members who weren't independent enough from management and deals with companies that had ties to the board.

Corporate governance shortcomings are more common in European banks compared with the U.S., some say. Some attribute the difference to a fragmented continent where countries' capital markets are in varied stages of development and have different rules and regulations.

"In Europe, you have 28 different banking systems, which were created nationally under different mandates," said Tom Kirchmaier, deputy director of corporate governance at the **London School of Economics**.

Since the European Central Bank assumed supervision of major eurozone banks in November 2014, it has stepped up the focus on corporate governance, pressing lenders, for instance, to ensure boards include a sufficient number of independent directors. Since then, the ECB conducted 94 on-site visits to examine governance issues, the second-highest number of inspections after loan risk.

When the ECB began to regulate Banco Popular, Spain's No. 6 lender by assets, it inherited a bank that analysts say was riddled with governance problems.

In its 2016 annual report, the bank said seven of 15 board members were independent. However, four had long-standing links to Banco Popular, ties that governance specialists say undermined their ability to challenge executives' decisions.

One had served as finance director and chief executive at the bank immediately before becoming a board member. Governance specialists say there should be at least a few years' "cooling off" period for a director in that situation to be considered independent.

Another member sat on the board for nearly 10 years, a duration governance specialists consider too long to be deemed independent.

A third filled in for her fa-



Corporate-governance specialists say Banco Popular's problems included board members who weren't independent enough.

Governance Woes Prevalent in Europe

Corporate governance shortcomings are common in Europe's banks, some say.

For example, when two Italian banks decided to merge last year, the lenders wanted to cut the newly combined board to 24 members from 47. After a months-long battle between the European Central Bank and the two lenders, the ECB forced the banks to cut the total number of directors down to 19.

Peter Nathaniel, co-director of a program on banking governance at Europe's **Insead** business school, said while there is no rule, boards should typically have between eight and 15 directors, depending on the complexity of the business.

At unlisted Italian lenders

Banca Popolare di Vicenza

SpA and Veneto Banca SpA, which had been liquidated by

the government on June 25, boards of both banks had assigned prices to their shares that analysts and other bankers considered generous.

While the practice was legal, analysts said the assigned share prices were unrealistic. Executives and board members at the banks had previously said shareholders had signed off on the assigned prices.

And in Germany, state lender HSH Nordbank is looking to find a buyer or could face liquidation after suffering large losses on souring shipping loans.

Those loans were given out for years under the supervision of politicians and shipping magnates who sat on the bank's supervisory board and encouraged it to become the world's biggest shipping lender.

Some say the setup created a conflict of interest and exposed the lender to too much risk in one sector.

An HSH Nordbank spokesman declined to comment.

ther when he stepped down from the board after serving for more than two decades.

A fourth previously had been a non-independent director representing an investor who remained a significant shareholder.

A Banco Popular spokeswoman said Spain's securities regulator reviewed and had no objection to the bank's designation of the board members as independent. A board member can be considered independent for up to 12 years under Spanish law, she noted.

Analysts say that coziness between the board and management contributed to the board's slowness to remove Ángel Ron as executive chairman, despite investor concern the bank wasn't doing enough to shed roughly €37 billion (\$43.2 billion) in sour loans.

Mr. Ron was replaced in December after 12 years at the

helm and more than a 90% drop in the bank's share price.

The bank spokeswoman declined to comment on Mr. Ron's departure.

Mr. Ron has said the liquidity problems that ultimately triggered Banco Popular's takeover began after he stepped down, according to people familiar with his reasoning.

"Truly independent board members are key to avoid conflicts of interest that end up impacting stakeholders," said Carlos García, an analyst with financial services firm Kepler Cheuvreux SA. "Popular is an example of why governance matters."

A Banco Popular spokeswoman declined to comment on corporate governance issues. The ECB declined to comment on specific cases.

—Giovanni Legorano
in Rome

contributed to this article.

OPEC

Continued from page B1
and demand, said Bjarne Schieldrop, a commodity analyst with Nordic bank SEB. The kingdom exported an average of 7.2 million barrels a day from January to May, he said, so the new action would theoretically remove an additional 600,000 barrels a day from the market.

But Saudi Arabia generally has to reduce exports in the summer anyway, when it faces rising domestic demand for crude oil to be burned to create electricity for air conditioning.

The limit on Nigeria is less likely to have immediate market effects. Nigeria has agreed to limit its production to 1.8 million barrels a day, OPEC officials said. The African country produced about 1.6 million barrels a day in June, giving it substantial room to keep increasing output.

Another OPEC member exempted from last year's deal, Libya, has a target of 1.25 million barrels a day, still higher than its June production of 820,000 million barrels a day.

So even with OPEC cutting

Beyond Libya and Nigeria, Iraq, OPEC's second-biggest producer, and the United Arab Emirates have been pumping more than their agreed-upon limits.

"We've had very serious discussions with those countries that are not performing as well as others," Mr. Falih said, saying there were unspecified mechanisms in place to bring those countries in line."

Analysts have warned that any new production cuts from OPEC would likely just help American shale producers. First it would cede market share to the U.S. from OPEC. Second, any price rally would likely be quickly killed by new shale production.

Mr. Falih's focus on exports was new. He pointed to discrepancies between countries' production and export figures, calling the difference "a matter of concern."

For example, OPEC's production fell by 920,000 barrels a day from October to June, according to the International Energy Agency. But its exports were only 120,000 barrels a day lower in June compared with October, according to Kpler, a ship-tracking firm.

So even with OPEC cutting

production, it was still sending roughly the same amount of oil into the global market in June as it was in October, the month used as the baseline level for the production deal.

"Exports have become the key metric for financial markets, and we need to find a way to reconcile credible export data with production data," Mr. Falih said.

"We need to continue monitoring" the implementation of the cuts, said Alexander Novak, Russia's energy minister.

—Sarah McFarlane, Benoit Faucon and Summer Said contributed to this article.



An oil facility in Iraq, OPEC's second-biggest producer.

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FUND NAME GF AT LB DATE CR NAV YTD 2-YR %RETURN—

Chartered Asset Management Pte Ltd - Tel No: 65-6835-8866 Fax No: 65-6835-8866 OT MUS 07/21 USD 11 3.8 -0.5

CAM-GF Limited OT MUS 07/21 USD 11 3.8 -0.5

NAV YTD 2-YR %RETURN—

FUND NAME GF AT LB DATE CR NAV YTD 2-YR %RETURN—

AS EQ HKG 07/21 USD 148.92 30.0 4.9

AS EQ HKG 07/21 USD 18.75 29.8 4.6

AS EQ HKG 07/21 AUD 15.41 29.1 4.8

AS EQ HKG 07/21 CAD 14.94 29.0 4.0

AS EQ HKG 07/21 HKD 12.61 28.0 2.7

AS EQ HKG 07/21 NZD 15.17 25.8 2.6

AS EQ HKG 07/21 CNY 12.28 17.9 2.28

AS EQ HKG 07/21 GBP 12.63 31.4 32.1 NS

AS EQ HKG 07/21 USD 10.56 9.8 9.0 NS

AS EQ HKG 07/21 USD 10.65 9.0 7.1 NS

WP Multi-Asset Fund C USD AS OT HKG 07/21 USD 19.95 19.1 20.8 13.3

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FINANCE & MARKETS

Western Union Sets Up in Gas Stations

In Australia, firm will try money-transfer agents in BP stores to lure off-hours business

BY MIKE CHERNEY

SYDNEY—Western Union Co. is turning gas-station attendants in Australia into money-transfer agents, reaching out to customers like Uber Technologies Inc. drivers who fill up at all hours of the day.

A new partnership with BP PLC in Australia will allow customers at BP gas stations to use Western Union to send money overseas, with an attendant completing the transaction. Western Union's mobile app is already available around the clock in Australia for sending money using a credit card, but customers will now be able to set up a transaction using the app and then pay in cash at the gas stations.

The Englewood, Colo., company is facing competition from financial-technology startups such as Transfer-Wise, which are eating into its core business by making it easier for consumers to trans-



A Sydney outlet. Many Western Union agents are closed at night and on weekends.

tries.

With a population of 24 million, Australia is a small market for Western Union, but international companies frequently test services or products there for developed markets.

The new service aims to increase convenience for customers who prefer to send money outside of normal business hours, said Simon Millard, Western Union's country director for Australia. Many of the company's retail agents in post offices, travel agencies or currency-exchange outlets are closed at night and on weekends; many gas stations, by contrast, are open 24 hours a day. Potential customers being targeted include taxi and Uber drivers, many of whom are immigrants and often send money to family overseas.

Western Union has enhanced its retail presence elsewhere with kiosks at Walgreens stores in the U.S., WHSmith bookstores in the U.K. and Franprix supermarkets in France. It has also explored ways to boost its online-transfer business by joining with messaging apps

Viber and WeChat.

Hikmet Ersek, Western Union's chief executive, said in an interview in Sydney that a lot of growth will come from these digital offerings, which in the first quarter generated 26% more revenue than a year earlier but remain relatively small. Revenue from consumer-to-consumer transactions, which make up 78% of the company's total, was roughly flat in the first quarter.

Another potential challenge for Western Union is the pending acquisition of rival MoneyGram International Inc. by Alibaba Group Holding Ltd.'s Ant Financial. The deal would create a bigger international competitor with a significant footprint in China and the U.S., but the purchase still awaits approval from U.S. regulators.

Shares of Western Union, which has a market cap of \$9 billion, have fallen more than 12% this year through Friday, even as the broader U.S. market recently hit records. They closed Friday at \$19.09.

Western Union will report second-quarter results on Aug. 3.

Dow Declines as Dollar Remains Under Pressure

BY MIKE BIRD
AND KENAN MACHADO

The Dow Jones Industrial Average was lower midday Monday, putting the index on track for its

MONDAY'S third consecutive session of declines.

The blue-chip index fell 51 points, or 0.2%, to 21529 around midday. The S&P 500 lost 0.1% and the Nasdaq Composite was up 0.2%.

In Asia, Japan's Nikkei Stock Average closed 0.6% lower. Among the biggest stock decliners in Japan were export-reliant companies, as is often the case when the yen

strengthens, because that eats into such firms' earnings.

Hong Kong's Hang Seng Index rose 0.5% after its nine-session winning streak ended Friday.

The dollar wavered after the WSJ Dollar Index fell to its lowest close since Sept. 30 on Friday. Concern about policy direction from the White House and Capitol Hill since the failure to repeal the Affordable Care Act and investigations into contacts with Russians before November's election have helped fuel dollar selling.

Sentiment on the dollar will stay negative until there is a string of upbeat U.S. economic data along with a hawkish

Federal Reserve and a dovish European Central Bank, said Kay Van-Petersen, a macro strategist at Saxo Bank in Singapore.

The Fed is scheduled to meet this week. Economists don't expect a change in the fed funds target rate, but the central bank could announce the beginning of its balance-sheet reduction.

The euro touched its highest intraday level since January 2015 during the early Asian trading session Monday, above \$1.168, before falling back. The euro was down 0.2% against the dollar by midday in New York.

A stronger euro has knock-

on effects for the European economy and can weigh on earnings expectations for export-oriented firms.

"If the euro remains at or above current levels, it is

net trade," said Chris Scicluna, head of economic research at Daiwa Capital Markets Europe.

The Stoxx Europe 600 index fell 0.2%, weighed down by a 1% fall in Britain's FTSE 100 and a 0.3% drop in Germany's DAX.

Fresh economic data for the eurozone on Monday suggested the economy grew slightly more slowly than analysts had expected during July. The IHS Markit flash purchasing managers index, a key business survey, came in at 55.8. That is lower than the 56.2 analysts had expected, and a six-month low for the index. Any figure above 50 indicates an economy is growing.

Oil prices rose Monday after a decline on Friday as the Organization of the Petroleum Exporting Countries continued to grapple with the growing challenges to removing what it sees as a global oversupply of oil from the market.

Saudi Arabian oil minister Khalid al-Falih said the country would limit its oil exports and added that he wanted other countries to follow suit. Despite a deal struck last year to take out almost 1.8 million barrels of crude oil from the global market, prices remain stubbornly low.

U.S. crude rose 1% to \$46.24 a barrel by midday Monday.

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MARKETS

'Real' Bond Yields Fall on Growth Doubts

Declines in yields for inflation-adjusted debt reflect skepticism about U.S. economy

By MIN ZENG

Inflation-adjusted bond yields are falling again, highlighting investors' doubts about the U.S. economy's growth prospects.

The yield on the 10-year Treasury inflation-protected security, or TIPS, pulled back to 0.483% Friday, down from a recent high of 0.646% on July 7. Yields fall when bond prices rise.

The 10-year TIPS yield is one popular measure of "real" yields, or the yield on the benchmark 10-year Treasury note minus the rate of inflation.

Real yields are important because they reflect investors' actual purchasing power from their bond investments.

At the moment, lower real yields reflect several factors, including a run of underwhelming economic data and the unraveling of post-election bets that Trump administration policies would boost growth and inflation.

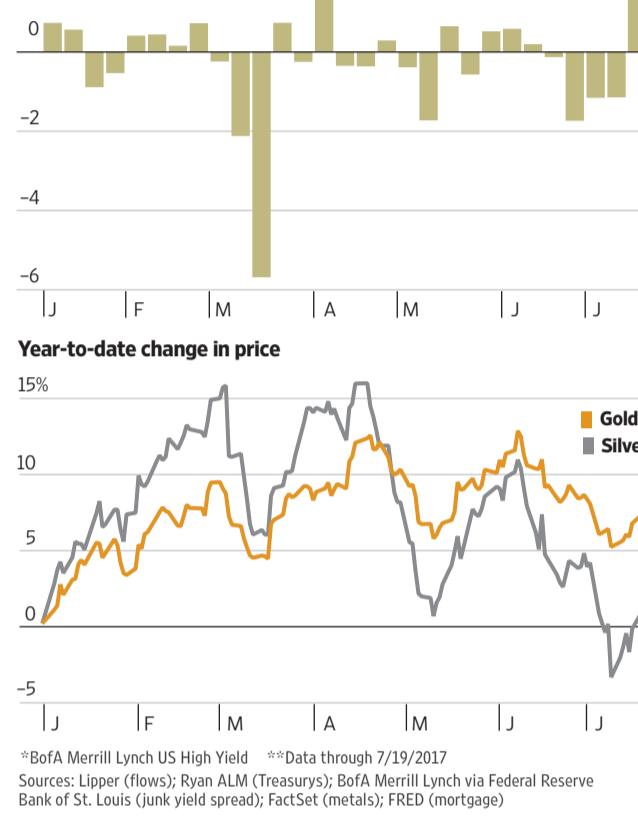
One concern for investors is that a rise in real yields would raise borrowing costs, increasing the debt burden of consumers and businesses. That could further crimp the prospects for economic growth, which could make major central banks cautious in shifting toward reduced monetary stimulus.

European Central Bank President Mario Draghi on June 27 signaled that the ECB might start winding down its bond-buying program as the eurozone's economy improves, which kick-started a selloff in the global government bond market. On Thursday, Mr. Draghi appeared to be less hawkish, signaling instead

Deflated

Inflation-adjusted U.S. Treasury yields are giving back some recent gains, a sign of investors' concerns about the outlook for growth and inflation. The moves have coincided with a decline in mortgage rates and swings in other interest-rate-sensitive investments, such as gold, silver and junk bonds.

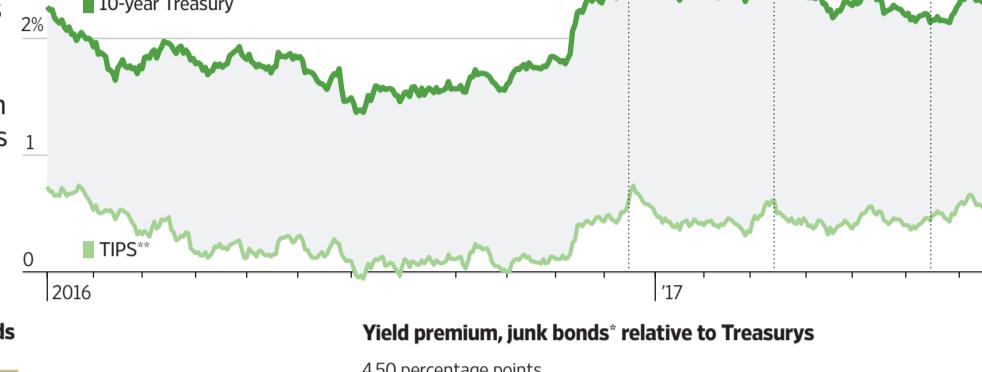
Weekly net flows into junk bonds



*BofA Merrill Lynch US High Yield **Data through 7/19/2017

Sources: Lipper (flows); Ryan ALM (Treasuries); BofA Merrill Lynch via Federal Reserve Bank of St. Louis (junk yield spread); FactSet (metals); FRED (mortgage)

Yields on the 10-year Treasury note and 10-year Treasury inflation-protected securities (TIPS)



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