

What's News

Business & Finance

- ◆ **The ECB lowered** interest rates by a quarter point, beginning to reverse a historic series of rate increases and widening a policy gap with the Fed, which isn't expected to follow suit for months. **A1**
- ◆ **The FTC is investigating** whether Microsoft structured one of its latest deals with an artificial-intelligence startup to avoid a government antitrust review. **A1**
- ◆ **The FDA rescinded** its 2022 ban on Juul Labs's e-cigarettes, but the agency hasn't yet reached a final determination on whether they can stay on the U.S. market. **B1**
- ◆ **The S&P 500 slipped** from its latest record Thursday, dropping less than 0.1%. The Dow added 0.2% and the Nasdaq fell 0.1%. **B9**
- ◆ **Meta is planning** to allow businesses to use free AI chatbots on WhatsApp, a test of the company's approach to the technology. **B1**
- ◆ **A new AI project** from Meta has run into complaints from a privacy-focused advocacy group in 11 European countries. **B4**
- ◆ **SpaceX achieved** a milestone with its Starship rocket, guiding the vehicle's spacecraft to a controlled splash-down in the Indian Ocean in its fourth test flight. **B3**
- ◆ **Leading Chinese battery** companies with ties to Ford and Volkswagen should be banned from shipping goods to the U.S., a group of Republican lawmakers said. **B3**
- ◆ **TSMC shares have hit** a new high amid positive news across the chip industry as global demand for advanced AI chips surges. **B4**

World-Wide

- ◆ **A federal judge ordered** Steve Bannon to surrender by July 1 to serve a four-month prison sentence for defying the House committee that investigated the Jan. 6, 2021, Capitol attack. **A4**
- ◆ **Hamas's leader in Gaza** told Arab negotiators that he would accept a peace deal only if Israel commits to a permanent cease-fire. **A6**
- ◆ **Russia arrested** a French employee of a peace-building organization on an allegation of gathering information about its armed forces. **A8**
- ◆ **The U.S. government has** delayed public disclosures of cyber incidents several times since new rules came into force last December, a senior DOJ official said. **A2**
- ◆ **The NTSB cited** poor communication between an air-traffic controller and Southwest pilots after a probe of a near accident at a Texas airport last year. **A3**
- ◆ **Hallie Biden**, sister-in-law of Hunter Biden, testified Thursday in his trial on gun charges, describing his past addiction in detail. **A4**
- ◆ **Westinghouse Electric** is replacing Russian fuel and planning to help Ukraine build new reactors. **A8**
- ◆ **The Supreme Court sided** with Native American tribes in a dispute with the federal government over healthcare cost reimbursements. **A2**
- ◆ **Right-wing nationalist** parties look set to surge in elections across Europe, but the shock wave from the vote results will travel slowly because of divisions among the political forces. **A7**

CONTENTS	Mansion.....	M1-14
Arts in Review.....	Markets.....	B9
Business News.....	Opinion.....	A13-15
Crossword.....	Sports.....	A12
Equities.....	Technology.....	B4
From Page One.....	U.S. News.....	A2-4
Heard on Street.....	World News.....	A6-8



D-Day Heroes Honored 80 Years After Storming Beaches



CHIN UP: President Biden and his wife, Jill, greet U.S. World War II veteran Bob Gibson, 100, who landed at Utah Beach on D-Day. Gibson was part of a contingent of veterans honored in Normandy, France, to mark the 80th anniversary Thursday of the invasion that turned the tide of World War II in Europe. **A7**

Apple Fell Behind in AI Arena, Catching Up Is Goal

By Aaron Tilley

For those who saw them, the demonstrations inside Apple earlier this decade of a revamped Siri offered a showcase of the amazing capabilities a powerful AI voice assistant could have.

The famed assistant, one of the last projects Apple co-founder Steve Jobs worked on before his death, had been given a total overhaul. Capable of running on an iPhone and without an internet connection, the new Siri impressed people with its improved speed, conversational capabilities and the accuracy with which it understood user commands. Code-named Project Blackbird, the effort also imagined a Siri with capabilities built by third-party app developers, according to people familiar with the work.

Yet a competing project won out in an internal contest ahead of the 10-year anniversary of Siri's launch. Known as Siri X, the more-modest upgrade involved moving more existing Siri software onto iPhones from remote

Please turn to page A4

◆ **Meta AI project faces privacy complaints in Europe.....** B4

◆ **TSMC shares hit high amid AI demand.....** B4

Europe Makes First Rate Cut Since 2019, Diverging From Fed

By Tom Fairless
And Paul Kiernan

FRANKFURT—The European Central Bank lowered interest rates by a quarter-point, beginning to reverse a historic series of rate increases and widening a policy gap with the Federal Reserve, which isn't expected to follow suit for months.

The ECB said it would reduce its key interest rate to 3.75% from 4%, its first rate cut in almost five years. Future

interest-rate decisions will be based on incoming economic data, the bank said in a statement. The ECB's rate-setting committee "is not pre-committing to a particular rate path," the bank said.

The rate cut is a significant moment for investors and the world economy. It marks an inflection point in recent monetary policy and sends a signal that relief is on the way for households, indebted governments and businesses that have reined in invest-

ments in the face of high borrowing costs.

The cut also potentially puts the ECB and the Fed on different tracks and widens an existing gap in borrowing costs between the U.S. and Europe. While this could boost Europe's growth in the short term, the gap could also complicate the work of policymakers, especially in Europe.

Recent economic data suggest that Europe is facing many of the same sticky inflationary pressures in wages

and services as the U.S. Underlying inflation in the eurozone, stripping out volatile food and energy prices, ticked higher to 2.9% last month from 2.7% in April. In the U.S., core inflation declined to 3.6% in April.

At a news conference, ECB President Christine Lagarde said that while inflation had come down, wage growth remained strong.

Please turn to page A2

◆ **Heard on the Street: ECB ushers in new era.....** B10

Dozens Dead in Israeli Strike



RUBBLE: At least 40 people were killed in an airstrike on a U.N. school serving as a shelter in central Gaza, Palestinian officials said. Israel said it targeted a Hamas facility there. **A6**

Microsoft Tie-Up Sparks FTC Probe

By Dave Michaels
And Tom Dotan

The Federal Trade Commission is investigating whether Microsoft structured one of its latest deals with an artificial-intelligence startup to avoid a government antitrust review of the transaction.

Microsoft hired Inflection AI's co-founder and almost all of its employees in March and agreed to pay the startup around \$650 million as part of a licensing fee to resell its technology. Inflection's investors were told they would be repaid over time by the sales proceeds.

Companies are required to report acquisitions valued at

more than \$119 million to federal antitrust-enforcement agencies, which have the option to investigate a deal's impact on competition. The FTC or the Justice Department can sue to block mergers or other investments if an investigation finds the deal would substantially reduce competition or lead to a monopoly.

A Microsoft spokeswoman denied any wrongdoing, and an Inflection official said he was unaware of the inquiry and that Microsoft didn't acquire his company.

The FTC is drilling down on Microsoft's deal with Inflection, seeking information

Please turn to page A2

Parents Are Shelling Out to Have Pros Pack Their Kids for Camp

The pressure is on for mom and dad to send junior off with all the right gear

By Tara Weiss

Hayley Mooney recoiled as she opened her son's trunk after it returned from seven weeks at overnight camp. She was hit with an odor so foul she figured an animal had crawled inside and croaked.

Nope, just a moldy wet bathing suit.

So when she learned First Class Laundry Services in West Palm Beach, Fla., offers post-camp trunk pickup and drop-off, she eagerly ponied up \$450 — \$225 per trunk—to have everything washed, folded and returned to her

front door. Mooney could catch up with her kids instead of sorting through muddy socks and grass-stained shirts.

Popular sleep-away camps, which can run upward of \$15,000, are significantly more intense than when today's parents attended in the '80s and '90s. Social media showcases an array of perceived must-haves. (Are monogrammed gel seat cushions for bleacher-sitting a necessity or extravagance? Discuss.)

The 100+ item packing list

Please turn to page A9

Putin's Dilemma: Not Enough Russians

Nation's population has been in decline for years; war has made matters worse

By Betsy McKay
And Georgi Kantchev

Vladimir Putin has portrayed himself as a defender of global stability, leading a powerful nation that offers a robust economic, military and cultural alternative to the West.

One challenge to his vision: Russia's population has been in decline for years, and the war in Ukraine has made matters worse.

At least 150,000 Russians are dead on the battlefield, according to Western estimates. Nearly a million fled

the country after the war began. The number of births is at its lowest in more than two decades, with bigger-than-average drops in babies born in some regions closest to the front.

The Russian president has called raising the birthrate a national priority. He declared 2024 "the year of the family" and enacted subsidies for those with three or more children. Putin has pledged to spend up to \$157 billion

Please turn to page A9

◆ **Russia arrests French national as spy.....** A8

INSIDE



BUSINESS & FINANCE

Diddy's empire is crumbling—the warning signs were there all along. **B1**

MANSION

How much is Mar-a-Lago, Trump's Palm Beach estate, actually worth? **M1**