

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

WEDNESDAY, NOVEMBER 13, 2024 ~ VOL. CCLXXXIV NO. 115

WSJ.com

★★★★ \$5.00

DJIA 43910.98 ▼ 382.15 0.86% NASDAQ 19281.40 ▼ 0.1% STOXX 600 502.23 ▼ 2.0% 10-YR. TREAS. ▼ 1, yield 4.430% OIL \$68.12 ▲ \$0.08 GOLD \$2,600.00 ▼ \$11.20 EURO \$1.0624 YEN 154.62

What's News

Business & Finance

◆ **The chief executive** of Saudi Arabia's futuristic planned city Neom in the kingdom's northwest abruptly left his role, a major shake-up at the world's biggest construction project. **A1**

◆ **A rise in government** bond yields checked a vigorous stock rally, with the S&P 500, Dow and Nasdaq falling 0.3%, 0.9% and 0.1%, respectively. The yield on the 10-year Treasury note rose to 4.43%. **B11**

◆ **Activist investor Elliott** has amassed a \$5 billion stake in Honeywell International and is calling on the conglomerate to break itself apart. **B1**

◆ **Spirit Airlines** is preparing to file for bankruptcy protection after merger talks with Frontier Airlines broke down, people familiar with the matter said. **B1**

◆ **Insurance entrepreneur** Greg Lindberg pleaded guilty to federal criminal charges stemming from an alleged \$2 billion scheme to defraud thousands of policyholders in companies he controlled. **B2**

◆ **Meta Platforms** plans to give European users of Instagram and Facebook the option of receiving what it says are less-personalized ads in a concession to regulators. **B1**

◆ **Bayer** cut its full-year earnings target after a tough agricultural market hit its crop-science division, and said it heads into next year with a muted outlook. **B5**

◆ **The Justice Department** sued to block UnitedHealth's \$3.3 billion acquisition of Amedisys, alleging the takeover would give the company too much power over the market for home health and hospice services. **B6**

World-Wide

◆ **Trump** named Pete Hegseth to serve as secretary of defense and tapped John Ratcliffe, who served as director of national intelligence in the first Trump administration, to lead the CIA, continuing to stock his cabinet and White House staff with loyalists. **A1, A5**

◆ **The Trump transition** team is considering a draft executive order to establish a panel with the power to review generals and admirals and recommend firing those deemed unfit. **A4**

◆ **The president-elect** named Elon Musk and Vivek Ramaswamy to lead a group tasked with cutting spending and regulations. **A4**

◆ **House Republicans** are on the verge of clinching a majority but their expected slim margin and unruly nature could undercut their efforts to pass Trump's agenda. **A1**

◆ **Justice Alito** has no plans to step down from the Supreme Court, people close to him said, tamping down speculation that he might leave so that Trump could fill his seat with a younger conservative. **A3**

◆ **Archbishop of Canterbury** Justin Welby resigned under pressure over allegations that he failed to respond adequately to accusations against a serial child abuser. **A18**

◆ **Jack Teixeira**, a former Massachusetts Air National Guardsman, was sentenced to 15 years in prison over an extraordinary leak of highly classified intelligence documents. **A2**

◆ **A federal judge** ruled that a Louisiana law requiring public schools to display the Ten Commandments in classrooms is unconstitutional. **A3**

CONTENTS	Opinion..... A15-17
Arts in Review..... A13	Personal Journal A10/12
Business News..... B3-56	Property Report.... B6
Crossword..... A14	Sports..... A14
Equities..... B10	Technology..... B4
Heard on Street..... B12	U.S. News..... A2-6
Markets & Finance B11	World News..... A7-8/18



© 2024 Dow Jones & Company, Inc. All Rights Reserved

China Stealth Fighter Is Visible Show of Strength



CHINAPHOTO/REUTERS

RISING POWER: China's air force showcased new arms that include a J-35A stealth fighter, above, and an attack drone at an airshow that started Tuesday in Zhuhai. The country's growing military strength in the region has the U.S. worried. **A7**

House GOP Flexes Its Muscles, But Tough Math Poses a Test

By KATY STECH FEREC

WASHINGTON—House Republicans on the verge of clinching a majority in a new GOP-dominated Washington are already taking a victory lap, but their expected slim margin and unruly nature could undercut their efforts to pass President-elect Donald Trump's agenda.

Party leaders, still bruised from infighting over the past two years that led to the ouster of the GOP speaker and embarrassing failed votes, have said

things will be different this time. The squabbles were exacerbated by the party's historically small majority this Congress—currently at 221 to 213 with one vacancy—and leaders now are bracing for a similarly narrow advantage next year.

As of Tuesday evening, Republicans had won 216 seats to 207 for Democrats, while 12 seats remained uncalled by the Associated Press. Already, two of those GOP winners are set to take posts in the Trump administration, leaving even less wiggle room temporarily.

The majority party has led by 10 or fewer seats during just six congressional terms during the last century, according to House records.

With GOP control of the Senate and with Trump's policy agenda on taxes and other priorities on the line—and his well-earned reputation for imposing party discipline—top House Republicans predicted a smoother, more unified ride, even if they can spare to lose just a handful of defections on any bill. But with Democrats expected to be largely united

against the Trump agenda, any number of issues could trip up the majority, ranging from spending cuts, to raising the debt limit, to ending the \$10,000 cap on state and local tax deductions.

House Speaker Mike Johnson (R., La.), at a news conference Tuesday, said Republicans “are ready to deliver on America's mandate in the next Congress” and wouldn't repeat the slow start that hurt the GOP in 2017, the last time the party had control of the

Please turn to page A5

Saudi Megacity's Boss Abruptly Leaves Post

By RORY JONES AND ELIOT BROWN

The chief executive of Saudi Arabia's futuristic planned city Neom abruptly left his role, a major shake-up at the world's biggest construction project.

Nadhami al-Nasr, a hard-charging executive who had been chief executive of the kingdom's marquee development project since 2018, departed in recent days, according to people familiar with the decision and an internal Neom email announcing the change.

The specific reasons for Nasr's departure couldn't be learned, but it amounts to a major reshuffling atop Neom, a priority of Saudi Crown Prince Mohammed bin Salman

that calls for an arid mountain ski resort, a floating business district and two 106-mile-long skyscrapers taller than the Empire State Building.

Delays, cost overruns and staff turnover have plagued the project. Saudi officials have come to realize they don't have the money to fund all of the giant projects in the country they once planned, Saudi officials have said.

Executives from the country's sovereign-wealth fund, the Public Investment Fund—which oversees Neom—are coming in to wield control over the project, the people familiar with the decision said.

Aiman al-Mudaifer, a Public Investment Fund real-estate executive, was named acting

Please turn to page A6

Meet the Competitive Fliers On a Mad Dash for a Million Miles

Airline's promotion sparks a game of continental hopscotch; cancel Thanksgiving

By JACOB PASSY

Philip Wallin plans to spend roughly 90 hours on airplanes over the course of two weeks. His grueling journey involves over 20 flights and will take him across 37,000 miles and more than a dozen time zones.

In between these flights, Wallin, who has a sales job in Stockholm, says he will only occasionally step foot outside an airport. The goal of all this marathon flying: one million frequent-flier points.

Scandinavian Airlines, also known as SAS, is running a

promotion through year's end to celebrate its entry into the SkyTeam airline alliance, which also includes Delta and Air France. The carrier is giving away one million points in its EuroBonus loyalty program to anyone who flies on at least 15 SkyTeam airlines by Dec. 31.

This game of continental hopscotch has become something of a status symbol among travel-loyalty nerds. They have set online forums ablaze trading sample itineraries, booking tips and other hacks. Especially competitive fliers

Please turn to page A9



What's the point?

INSIDE



SPORTS

Cooper Flagg, just starting at Duke, is basketball's next big thing. **A14**

BUSINESS & FINANCE

Spirit set to file for bankruptcy after merger talks with Frontier break down. **B1**

The Sickest Flee Private Medicare

Switching to regular Medicare shifted costs from insurers to taxpayers

Patricia Greene had spent a month recovering from a devastating stroke when her Medicare Advantage insurer, a unit of UnitedHealth Group, decided to stop paying for her nursing home.

By Anna Wilde Mathews, Christopher Weaver and Tom McGinty

The 85-year-old was so weak and fragile, her son said, that she couldn't even get herself out of bed. Her family felt she wasn't ready to leave the facil-

ity in New York City's Queens borough.

So she dropped her UnitedHealth coverage and enrolled in the traditional version of Medicare run directly by the federal government.

That decision saved UnitedHealth tens of thousands of dollars in the months that followed, billing records show, and shifted onto taxpayers the cost of later hospital and nursing home care in what turned out to be the final months of her life.

A Wall Street Journal analysis

Please turn to page A9

Slump Forces Real-Estate Scions To Break a Cardinal Rule: Never Sell

By PETER GRANT

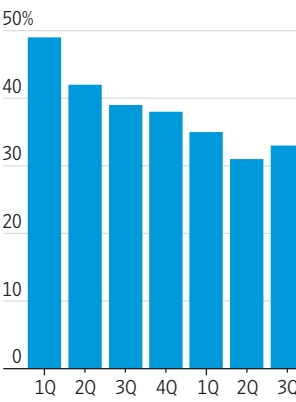
William Rudin, scion of one of New York City's premier real-estate dynasties, has said his grandfather built a property empire by following a cardinal rule: Never sell.

While the city's office market wobbled during economic downturns, values and cash flows would always recover because workers came back during good times.

But last year, Rudin sold control of a 30-story office tower in downtown Manhattan his family developed in the 1960s. This fall, the family agreed to part with 80 Pine Street, another financial district tower, after anchor tenant American International Group left.

“The world has changed,” said Rudin, the 69-year-old co-

Percentage of U.S. companies requiring workers to be in the office five days a week



Source: Flex Index

executive chairman of his family's firm. “We have to take a cold hard look at our business in order to make sure

there's a foundation for the next generation.”

The office market's severe downturn is forcing some of the city's multigenerational family owners to do something they managed to avoid during world wars, financial meltdowns and a global pandemic: sell their core properties.

Families like the Rudins and the Kaufmans built their New York empires by passing these buildings from one generation to the next. The office properties steadily rose in value and provided a comfortable living for an expanding number of children, grandchildren, nieces and nephews.

“We and the other families did not sell,” said Jonathan Iger, chief executive of Sage

Please turn to page A2

◆ **Property Report**..... **B6**