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What's News

Business & Finance

- ◆ **CVS Health**, the nation's largest drugstore chain, will move away from the complex formulas used to set the prices of the prescription drugs it sells. **A1**
- ◆ **Spotify is preparing** to lay off 17% of its workforce, or about 1,500 employees, as the company accelerates its profitability push. **A1**
- ◆ **EnergyRe, which builds** massive transmission lines to carry renewable electricity to urban areas, said it raised \$1.2 billion from a group of European investors to build more projects across the U.S. **B1**
- ◆ **Stocks, bonds and precious metals** retreated. The Nasdaq, S&P 500 and Dow industrials lost 0.8%, 0.5% and 0.1%, respectively. **B11**
- ◆ **The succession race is on** at Johnson & Johnson, after the abrupt departure of a top executive widely believed to have been in line for the company's top job. **B1**
- ◆ **A U.S. appeals court** has sided with Intel, vacating a roughly \$2.2 billion patent-infringement verdict won by VLSI Technology. **B3**
- ◆ **Meta and IBM launched** a coalition of more than 50 artificial intelligence companies and research institutions that are pushing a so-called open model of AI. **B4**
- ◆ **A group representing** more than 80 media outlets in Spain filed a lawsuit against Meta, saying the Facebook owner hadn't complied with European data-protection laws. **B4**
- ◆ **TuSimple, the self-driving** trucking company, is winding down its U.S. business and seeking a buyer for its remaining U.S. assets. **B6**

World-Wide

- ◆ **A former senior U.S. diplomat** who served in embassies across Latin America was accused of spying for Cuba's intelligence service for decades in one of the highest-reaching and longest-lasting security breaches of the federal government. **A1**
- ◆ **The U.S. wouldn't be able** to continue providing more weapons and equipment to Ukraine if Congress doesn't approve additional funding by the end of the year, the White House said, trying to prod lawmakers to make progress in negotiations. **A1**
- ◆ **Israeli troops and Hamas** fighters are locked in some of their fiercest fighting of the two-month-old war as Israel launched its offensive in the south while trying to finish its operations in and around Gaza City. **A9**
- ◆ **Israel has assembled** a system of large pumps it could use to flood Hamas's network of tunnels under the Gaza Strip with seawater, a tactic that could threaten Gaza's water supply. **A9**
- ◆ **Hunter Biden paid** his father, Joe Biden, three installments totaling a little more than \$4,000 in 2018 from a business account that held funds from his Chinese business dealings. **A4**
- ◆ **North Dakota's governor**, Doug Burgum, dropped out of the Republican presidential nomination race. **A4**
- ◆ **Searchers have found** the sunken main fuselage of a U.S. military aircraft that crashed off the coast of southern Japan last week and the remains of five of the seven missing crew. **A6**

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Struggling Ukraine Touts Sniper as Record-Setter



LONG-DISTANCE: Vyacheslav Kovalskiy, right, a 58-year-old Ukrainian shown with his spotter, said his sniper hit on a Russian soldier nearly 2½ miles away set a record, giving Ukraine a morale boost as its offensive struggles to make headway. **A6**

White House Warns Funding For Kyiv to Run Out in Weeks

WASHINGTON—The U.S. wouldn't be able to continue providing more weapons and equipment to Ukraine if Con-

By Andrew Restuccia, Doug Cameron and Michelle Hackman

gress doesn't approve additional funding by the end of the year, the White House said on Monday, trying to prod lawmakers to quickly make progress in complicated negotiations on Capitol Hill.

"Cutting off the flow of U.S. weapons and equipment will

kneecap Ukraine on the battlefield," Shalanda Young, the director of the White House Office of Management and Budget, wrote in a letter to House Speaker Mike Johnson (R., La.). "There is no magical pot of funding available to meet this moment. We are out of money—and nearly out of time," Young wrote.

The letter was released as negotiators are trying to reach a deal on tightening U.S. border security, which House and Senate Republicans have demanded as a condition for passing tens of billions of dol-

lars in new aid for Ukraine. Over the weekend, bipartisan Senate talks to strike an immigration compromise broke down, with Democrats complaining Republicans were insisting on sweeping changes to the asylum system they knew Democrats wouldn't support.

The letter marks one of the White House's most forceful pleas for congressional action to date. Without additional money, the U.S. won't have the necessary resources to procure additional weapons and equipment for Ukraine or to provide resources from exist-

ing U.S. military stockpiles, Young said. Officials in the U.S. and Europe are increasingly worried as the war in Ukraine nears the end of its second year, fearing Russian President Vladimir Putin will be able to outlast the political will of Western countries to continue aiding Ukraine.

President Biden in October outlined a \$106 billion proposed aid package for Ukraine, Israel and Taiwan. The package requested about \$60 billion to fund the Ukraine war effort and replenish U.S. weapons stocks.

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Ex-U.S. Envoy Is Held as Longtime Cuba Spy

Former ambassador worked covertly for Havana since 1980s, complaint alleges

By JOSÉ DE CÓRDOBA

A former senior U.S. diplomat who served in embassies across Latin America was accused of spying for Cuba's intelligence service for decades in one of the highest-reaching and longest-lasting security breaches of the federal government, according to a criminal complaint unsealed Monday.

Victor Manuel Rocha, a former U.S. ambassador to Bolivia, was arrested by the Federal Bureau of Investigation on Friday. The unsealed complaint said that the 73-year-old Rocha had worked for Cuba's Communist government as a covert agent since at least the early 1980s until now.

"Rocha secretly supported the Republic of Cuba and its clandestine intelligence-gathering mission against the United States by serving as a covert agent of Cuba's intelligence services," the complaint said. In doing so, Rocha provided false information to the U.S. and traveled outside the country to meet with Cuban undercover agents, according to the complaint.

His lawyer didn't respond to requests for comment.

During the U.S. investigation, Rocha met with an undercover FBI officer who was pretending to be a Cuban agent three times in the past two years, according to the complaint. All three meetings, during which Rocha used undercover Cuban spy craft, were audiotaped and videotaped.

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Spotify to Cut Staff By 17% as It Chases Profit Goal

By ANNE STEELE

Spotify Technology is preparing to lay off 17% of its workforce, or about 1,500 employees, as the company accelerates its profitability push.

Chief Executive Daniel Ek announced the job cuts—the Stockholm-based company's third round of layoffs this year—to staff Monday.

Despite efforts to reduce costs, Ek said Spotify is still spending too much money. The audio-streaming company has been squeezed by slower economic growth as well as interest-rate increases that have made it more expensive to borrow, he said.

"The Spotify of tomorrow must be defined by being relentlessly resourceful in the ways we operate, innovate, and tackle problems," he said in a 1,000-word letter to staff. "Being lean is not just an option but a necessity."

Spotify shares rose more than 7% to \$194.17 Monday. The stock is up nearly 150% in 2023 but remains down about 46% from its record close in February 2021.

The company expects to take up to €145 million in charges—equivalent to about \$157 million—during the final quarter of the year as a result of the layoffs.

It expects to report an operating loss of €93 million to €108 million during the fourth quarter, revising down its prior forecast of a €37 million operating profit.

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INSIDE



BUSINESS & FINANCE

Food makers see an opportunity to capitalize on the Ozempic effect. **B1**

Palestinians Hunt for Safety As Fighting Intensifies

Families in Gaza say 'there's nowhere else to go'

By CHAO DENG, MENNA FAROUK AND OMAR ABDEL-BAQUI

The first call came at 1:30 a.m. on Oct. 8. The recorded voice instructed doctor Hussam Abuouda, his wife and five children to get out.

Leave Beit Hanoun, the city at the Israeli border in northern Gaza, Abuouda recalls the unidentified man saying in Arabic.

He had received a call like this before, in the 2014 Israel-Gaza war. That time, he moved out for 45 days, then returned to repair his damaged home. This night felt more urgent. A bomb had obliterated a building

hundreds of yards from his home, killing people inside. "I feared the same would happen to me and my family," says Abuouda.

At dawn, with explosions all around, the family piled into their green Fiat, the children crying as they raced along empty roads to Gaza City, as directed, 6 miles south.

It was the first of five moves the Abuoudas would make in less than a month as they followed Israeli instructions to get out of the way of airstrikes its military says are aimed at eliminating Hamas, the militant rulers of

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◆ Israel, Hamas locked in fierce fighting.... **A9**

Plush-Toy CEOs Play Hardball In Cuddle-ability Competition

* * *

Squishy stuffed animals push to the top of holiday wish lists; 'they make me happy'

By CHAVIE LIEBER

This holiday season, business is soft. CEO David Socha couldn't be happier.

The chief executive of Beverly Hills Teddy Bear finds comfort in plush toys—cute, squishable and, this year, one of America's hottest gifts. Ahead of a holiday season dampened by a weak forecast, toy makers and retailers are trying to stay flush with plush.

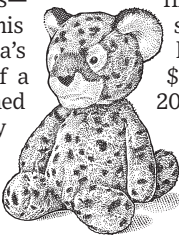
Autumn Ruhe, the owner of the Mildred & Dildred toy store in Tucson, Ariz., said her stockroom is stuffed with fuzzy pandas, cuddly possums, squishy cats and a squeezable alien named Ross. "We've never had a category over-

shadow all the rest like this before," Ruhe said.

Toy sales are down 8% this year compared with 2022, but plush toys are enjoying a soft landing, up 4% for the year, according to market research firm Circana. Plush-toy sales grew to \$1.7 billion in October from \$846 million in October 2020.

To stand out from the crowd, plush-toy makers seek to best their rivals in softness and cuddle-ability.

"We think about toy store in Tucson, Ariz., said her stockroom is stuffed with fuzzy pandas, cuddly possums, squishy cats and a squeezable alien named Ross. "We've never had a category over-



Stocking stuffer

CVS Revamps the Way It Sets Drug Prices

By ANNA WILDE MATHEWS

CVS Health, the nation's largest drugstore chain, will move away from the complex formulas used to set the prices of the prescription drugs it sells, shifting to a simpler model that could upend how American pharmacies are paid.

Under the plan, CVS's roughly 9,500 retail pharmacies will get reimbursed by pharmacy-benefit managers and other payers based on the amount that CVS paid for the drugs, in addition to a limited markup and a flat fee to cover the services involved in handling and dispensing the prescriptions.

A similar payment model, sometimes known as "cost plus," has been promoted by entrepreneur Mark Cuban's eponymous pharmacy company, among others, which have said

it brings greater clarity and accountability to drug pricing.

Today, pharmacies are generally paid using complex measures that aren't directly based on what they spent to purchase specific drugs.

CVS's move, which will be phased in starting in the first half of 2024, will take the approach to a far greater scale, embedding it in a company that stands at the core of the American drug-supply chain.

"It's a fundamental change in how pharmacy services are priced," said Adam Fein, chief executive of the Drug Channels Institute, which provides research on the drug-supply chain. It is also, he said, "a legitimate step toward transparency."

For consumers, employers and health insurers paying for prescriptions, the change will have mixed effects. Some drugs

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