

THE WALL STREET JOURNAL.

A COACH'S LESSONS BEYOND THE SPORT

PERSONAL JOURNAL | D1



The Donald J. Trump Referendum

OPINION | A12

DOW JONES | News Corp *****

TUESDAY, AUGUST 2, 2016 ~ VOL. CCLXVIII NO. 27

WSJ.com

★★★★ \$3.00

DJIA 18404.51 ▼ 27.73 0.2% NASDAQ 5184.20 ▲ 0.4% STOXX 600 339.86 ▼ 0.6% 10-YR. TREAS. ▼ 12/32, yield 1.499% OIL \$40.06 ▼ \$1.54 GOLD \$1,351.40 ▲ \$2.40 EURO \$1.1164 YEN 102.39

What's News

Business & Finance

Uber agreed to sell its Chinese business to rival Didi, highlighting the challenges U.S. companies face in China. **A1, B1, B5**

◆ **Tesla** agreed to buy SolarCity for \$2.6 billion in stock, as Musk proceeds with his plan to merge the electric-car and solar-energy firms. **B1**

◆ **Oil** entered a bear market, underscoring concerns about a supply glut. Nymex crude fell \$1.54, or 3.7%, to \$40.06. **C1**

◆ **U.S. stocks** declined as the oil-price drop pulled down the energy sector. The Dow fell 27.73 to 18404.51. **C4**

◆ **Some investors** are wary of Aramco's IPO plan, pointing to the track records of other state-run oil firms. **C1**

◆ **Theranos's founder** announced a new blood-testing device but didn't address problems found with the firm's earlier machines. **B1**

◆ **Virgin Galactic** received FAA approval to resume testing its rocket plane following a fatal 2014 crash. **B1**

◆ **Two more health co-ops** sued the Obama administration over the ACA's "risk adjustment" program. **B3**

◆ **Verizon** agreed to acquire Fleetmatics, which makes GPS tracking systems, for \$2.4 billion. **B3**

◆ **McDonald's** is replacing high-fructose corn syrup with sugar in sandwich buns as it tweaks its menu. **B2**

World-Wide

◆ **U.S. warplanes** struck Islamic State's primary stronghold in Libya for the first time, deepening American involvement there. **A1**

◆ **The IOC** will likely shy from again holding the Olympics in cities that show signs of instability, officials said, citing Rio's problems. **A1, A8**

◆ **Trump** tried to move past his feud with the parents of a Muslim U.S. soldier killed in Iraq, but fellow Republicans criticized the nominee. **A5**

◆ **Buffett** blasted Trump and challenged him to release his tax returns, as Clinton campaigned in Nebraska. **A4**

◆ **Syria and Russia** are said to be bombarding hospitals, utilities and other infrastructure in the besieged, rebel-controlled half of Aleppo. **A6**

◆ **Syrian rebels** shot down a Russian helicopter, killing all five crew members and officers on board. **A6**

◆ **A rift** between Germany and Turkey deepened after Erdogan was barred from making a video address. **A7**

◆ **Florida health officials** found 10 new Zika cases in a Miami neighborhood. **A3**

◆ **An FBI employee** pleaded guilty to sending sensitive information about the U.S. government to China. **A2**

◆ **The EPA watchdog** opened a criminal probe into last summer's mine-waste spill in Colorado. **A2**

CONTENTS	Heard on Street..... C8
Arts in Review..... D5	In the Markets..... C4
Business News..... B2-A6	Opinion..... A11-13
Crossword..... B6	Sports..... D6
Election 2016..... A4-5	U.S. News..... A2-3
Global Finance..... C3	Weather..... B6
Health & Wellness..... D2-4	World News..... A6-8



© Copyright 2016 Dow Jones & Company. All Rights Reserved

Zika Outbreak in Florida Sparks Concern



BITTEN: A home is sprayed Monday in Miami, where health officials turned up new cases of Zika believed caused by local mosquitoes. **A3**

Uber's Retreat Shows Limits U.S. Companies Face in China

By EVA DOU

BEIJING—Uber Technologies Co. entered China with billions of dollars to spend and ambitions to dominate the world's biggest market for ride hailing. It wasn't enough.

After almost three years, Uber agreed to sell its China business to rival Didi Chuxing Technology Co., the Chinese company announced Monday. Despite launching private ride-sharing services in China

a full year before Didi, Uber has been outmaneuvered by the homegrown player, which added localized features, landed powerful investors and wooed Chinese regulators and press. Uber and outside investors in UberChina will get 20% in the merged company, which has a combined valuation of \$36 billion.

U.S. internet companies have long struggled in vain to capitalize on the allure of China's enormous population

and growing wealth. Some have been stymied by strict government licensing and censorship, which contributed to Google Inc.'s decision in 2010 to shutter its China-base search engine and has effectively barred access to Facebook Inc. and Twitter Inc.

Others have been bested by deep-pocketed local rivals that adapt quickly to Chinese consumer preferences. Amazon.com Inc. and eBay Inc. both faced off unsuccessfully against

Alibaba Group Holding Ltd.

"So far we haven't seen a foreign internet company that has made it big in China," said Andrew Teoh, managing partner of Ameba Capital, an early investor in Didi.

Other companies in the Please see **UBER** page **A2**

- ◆ Deal in China adds to tumult for Lyft..... **B1**
- ◆ Financial pressures shaped Didi-Uber pact..... **B5**
- ◆ Heard on the Street..... **C8**

A SLOWING PHONE GIANT TURNS TO MOBILE VIDEO

Verizon snapped up Yahoo as part of gamble to distribute online content

By RYAN KNUTSON, BEN FRITZ AND MIKE SHIELDS

Hollywood producer Craig Piligian pitched a reality show to major television networks last year, and every one passed. Then, after an October meeting, the nation's largest cellphone carrier snapped it up.

"They stepped up big time. It was broadcast-network money," Mr. Piligian said of the deal with Verizon Communications Inc. Verizon agreed to finance more than 100 short episodes of "The Runner," about contestants who try to cross America without being caught by other players, including viewers.

The show, which plays online and on Verizon's smartphone video app, is part of a

more than \$10 billion gamble by Verizon to build a digital-media business to compete with Facebook and Google for advertising dollars.

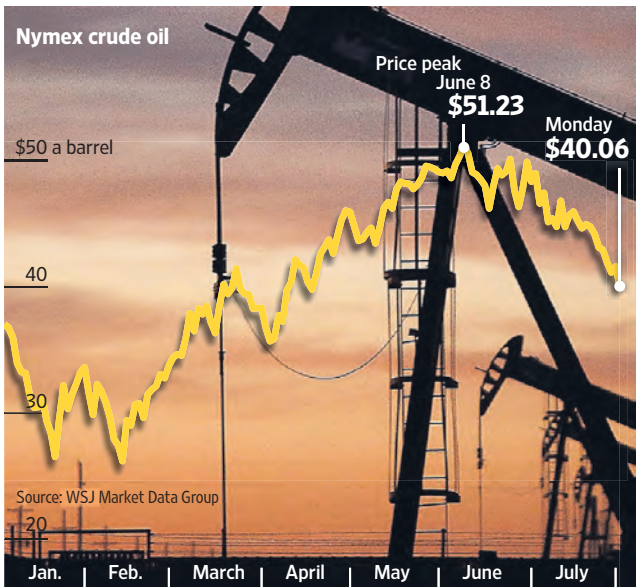
Verizon gained some ad technology and websites last year by buying AOL Inc. It doubled down in July by agreeing to pay \$4.8 billion for Yahoo Inc.

It is a radical move for a corporate giant long treated by investors as a utility with a safe dividend, and is a strategy that has previously stymied other players, including Yahoo itself. Even if it succeeds, it may have little impact "on the battleship that is Verizon."

Please see **MEDIA** page **A10**

◆ Verizon, Fleetmatics in \$2.4 billion tie-up..... **B3**

Oil Slips Into a Bear Market



BIG DROP: After climbing to over \$50 a barrel in early June, oil briefly dipped below \$40 a barrel Monday, marking a bear market. **C1**

Olympics Bosses Sour On Poor Host Nations

By MATTHEW FUTTERMAN AND WILL CONNORS

Several prominent members of the International Olympic Committee said the difficulty getting Rio de Janeiro ready for the Summer Games likely means the organization will shy away from again holding the world's biggest sporting event in cities that exhibit any signs of instability.

The comments, among the strongest yet by IOC officials about their frustration with Rio's preparations, show the organization backing away from a previous goal of opening up the Games to a broader selection of cities.

Rio, the first South American

city to host the event, was supposed to mark the dawn of a new, more adventurous era for the IOC. It is instead shaping up as a cautionary tale about how volatile conditions can be in developing countries. Ambitions to hold the Olympics in Africa or India appear shelved indefinitely, according to IOC members and people who work closely with the organization.

"Rio has been the biggest challenge we have ever faced," said Gerhard Heiberg, a long-time IOC member from Norway, who headed the 1994 Winter Games in Lillehammer. "Maybe

Please see **IOC** page **A8**

◆ Gridlock grips Rio streets as the Games approach..... **A8**

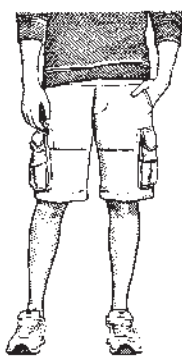
Nice Cargo Shorts! You'll Be Sleeping on the Couch

Fans of the roomy summer staple meet pockets of resistance

By NICOLE HONG

Dane Hansen, who operates a small steel business in Pleasant Grove, Utah, says that throughout his 11-year marriage, 15 pairs of cargo shorts have slowly disappeared from his closet. On the occasions when he has confronted his wife about the missing shorts, she will either admit to throwing them away or deflect confrontation by saying things like, "Honey, you just need a little help."

Mr. Hansen, 35 years old, is now down to one pair of cargo



Cargo shorts

shorts, and he guards them closely. He has hidden them in small closet nooks where his wife can't find them.

"I don't let her get her hands on them," he said. "I wish I had caught on sooner."

Relationships around the country are being tested by cargo shorts, loosely cut shorts with large pockets sewn onto the sides. Men who love them say they're comfortable and practical for summer. Detractors say they've been out of style for

years, deriding them as bulky, uncool and just flat-out ugly.

Mr. Hansen's wife, Ashleigh Hansen, said she sneaks her husband's cargo shorts off to Goodwill when he's not around. Mrs. Hansen, 30, no longer throws them out at home because her husband has found them in the trash and fished them out.

"I despise them," she said. "There were so many good things about the '90s. Cargo shorts were not one of them."

Fashion historians believe cargo pants were introduced around the 1940s for military use. In the U.S. Air Force, narrow cockpits meant pilots needed pockets in the front of Please see **SHORTS** page **A10**