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What's News

Business & Finance

The U.S. and China are nearing an agreement that would allow American accounting regulators to travel to Hong Kong to inspect the audit records of Chinese companies listed in New York, according to people familiar with the matter. A1

◆ **Biden's decision** to cancel up to $20,000 in student debt for millions of borrowers will have broad economic consequences, including on inflation, consumer behavior and government budgets, though the degree of those effects is uncertain. A1, A4

◆ **Peloton posted** a $1.2 billion loss in the most recent quarter and, in a race to save itself, is eschewing fundamental aspects of its decade-old business model. A1

◆ **Major U.S. stock indexes** rose, with the S&P 500, Nasdaq and Dow industrials notching gains of 1.4%, 1.7% and 1%, respectively. B11

◆ **The second-quarter** decline in U.S. economic output was less severe than initially estimated, with GDP contracting at a 0.6% annual rate, the Commerce Department said. A2

◆ **The SEC voted** to require companies to disclose how well top management's pay tracked with corporate performance over several years. B10

◆ **Bitcoin Depot has** reached a deal with a SPAC that values the cryptocurrency ATM firm at roughly $985 million and would take it public. B3

◆ **Gap, Victoria's Secret** and Abercrombie & Fitch reported declining quarterly sales, as consumers shift their spending. B1

World-Wide

◆ **California approved** regulations banning the sale of new gasoline-powered cars and trucks by 2035, an action aimed at addressing climate change that could speed the nation's transition to electric vehicles. A3

◆ **A federal judge** in Florida ordered the government to release by noon Friday its redacted version of the affidavit detailing evidence that led to the extraordinary search of Trump's Mar-a-Lago home. A3

◆ **A Fulton County, Ga.,** prosecutor is seeking testimony from Mark Meadows, according to a court filing, as she investigates efforts by Trump and his allies to overturn the state's 2020 election results. A4

◆ **Much of southern** Ukraine lost electricity for part of the day after the Zaporizhzhia nuclear-power plant was disconnected from the electrical grid. Ukrainian and Russian officials blamed each other for the outage. A8

◆ **The DHS has terminated** a government board to combat online disinformation, after a surge of critics said it could stifle free expression on the Internet and had an unclear mission. A6

◆ **The U.S. military used** helicopter gunships to kill what it said were members of an Iran-backed militia that had fired rockets at a base used by American forces in Syria. A16

◆ **Tennis star Djokovic,** who remains unvaccinated against Covid-19, said he would skip the U.S. Open. A12

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Pakistan Reels as Monsoon Rains Stoke Deadly Flooding

PHOTO: ZAHID HUSSAIN

DELUGE: Pakistan's top climate official said the country is experiencing a humanitarian disaster amid the deadliest flooding in over a decade. Monsoon rains have washed away villages and crops and killed more than 900 people since late June. A16

Biden Student-Loan Relief Fuels Debate About Inflation

By Gabriel T. Rubin

President Biden's decision to cancel up to $20,000 in student debt for millions of borrowers will have broad economic consequences, including on inflation, consumer behavior and government budgets, though the degree of those effects is uncertain.

Assuming the plan survives any potential legal challenges, the move to cancel a lump sum of debt for more than 40 million borrowers and change repayment rules could provide a modest boost to longer-term inflation and lead to larger federal deficits, economists said.

In the short term, some, such as Obama administration economist Jason Furman said the debt relief risks "pouring roughly half trillion dollars of gasoline on the inflationary fire." In contrast, Wall Street analysts said the near-term impact is likely to be limited because debt relief isn't like other forms of stimulus. People won't immediately have more money to spend because almost all borrowers haven't been paying during a government repayment moratorium during the Covid-19 's pandemic.

"You are already receiving forbearance from your student loan payments, so your disposable income isn't necessarily going to go up relative to where it is now," said Michael Gapen, head of U.S. Economics Research at Bank of America. "Will we see it in the statistics in the next six months? Probably not."

If all borrowers who are eligible for debt cancellation enroll, student loan balances will be reduced by around $400 billion, according to a Goldman Sachs analysis released Thursday. Their economists found that student loan payments would fall from 0.4% of personal income to 0.3%. Debt cancellation isn't likely to have much of an effect on le-

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◆ Plan could test president's legal powers..... A4
◆ Borrowers who paid during pause can get refunds..... A4

China, U.S. Near A Deal To Avoid Delistings

Stateside regulators would be able to vet audit data of Chinese firms listed in New York

By Keith Zhai

SINGAPORE—The U.S. and China are nearing an agreement that would allow American accounting regulators to travel to Hong Kong to inspect the audit records of Chinese companies listed in New York, people familiar with the matter said, as the two countries move toward resolving a yearlong standoff.

Securities regulators in Beijing are making arrangements for U.S.-listed Chinese companies and their accounting firms to transfer their audit working papers and other data to Hong Kong from mainland China, the people said.

Regulators from the U.S. Public Company Accounting Oversight Board would then travel to the semiautonomous city to perform on-site inspections of the Chinese companies' auditors and their records, they said.

The China Securities Regulatory Commission recently informed some accounting firms and companies about the plan, the people said, adding that U.S. accounting inspectors could arrive in Hong Kong as soon as September.

A final agreement can only be reached if the U.S. side determines it has full access to the audit working papers, they said.

In response to a Wall Street Journal query, the CSRC said it doesn't have any relevant information to disclose. The

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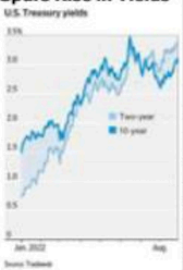
Optimism Spurs Rise in Yields

U.S. government-bond yields have rebounded this month, reflecting increased optimism among investors about the near-term economic outlook. Yields remain below their peaks set in June, when investors were most concerned about runaway inflation, but they are also now well above their recent lows, when analysts were debating whether the U.S. was already in, or entering, a recession. B1



Peloton Reports $1.2 Billion Loss

By Sharon Terlep

Peloton Interactive Inc. posted a $1.2 billion loss in the most recent quarter and, in a race to save itself, is eschewing fundamental aspects of its decade-old business model.

The once-hot maker of connected fitness equipment said Thursday that its quarterly revenue fell nearly 30% and warned it would spend more cash than it brings in for several more months. Peloton lost $2.8 billion in the year ended June 30, compared with a $189 million loss in the prior year.

Losses come as demand for Peloton's bikes and treadmills has plunged and the company's count of people who subscribe to its fitness classes stagnated after growing fourfold since early 2020. The company had about three million subscribers to its connected fitness offering at the end of the June quarter.

Peloton shares fell more than 18% to close at $11.03, as the company posted steeper losses and weaker revenue than analysts had projected. Its share price is down about 91% from a year ago.

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◆ Head on the Street: Peloton head is past its prime..... B12

TOMORROW

WSJ. MAGAZINE

ZOE KRAVITZ

Strike the Jeans and Flannels—Labor Activists Get Fashionable

* * *

Union leaders attract attention for their style, but veterans are unimpressed

By Sebastian Herrera

John Elward, a truck driver for United Parcel Service Inc. near San Francisco, collects labor union memorabilia. He owns at least 12 Teamsters jackets, his favorite being a green one labeled "Irish American." Then there are his dozens of union pins and patches.

So when organizers in April became the first to unionize an Amazon.com Inc. facility, the 42-year-old Mr. Elward grew excited. Several of the leaders seemed to have a flair for fashion—not something typically associated

Work It

Chris Smalls, the activist who led the organizing drive at Amazon, wore a red baseball cap, red sweats and hoodie and a red "Amazon Labor Union" shirt on top that day, all finished with a pair of oversize sunglasses. Pictures of his outfit went viral.

At the Time 100 gala two months later, Mr. Smalls went with black overalls and a black blazer, along with a bandanna and huge black shades. For an appearance on "The Daily Show," he donned a bubble gum pink Amazon Labor Union shirt and a printed baby blue bomber jacket.

Microsoft Co-Founder's Art Trove Poised to Fetch $1 Billion at Auction

By Kelly Crow

Microsoft co-founder Paul Allen collected chemistry sets as a boy, but the trove of paintings and sculptures he later amassed could top $1 billion when it heads to auction at Christie's this fall.

Christie's confirmed Thursday that it had won the right to sell at least 150 artworks from Mr. Allen's estate—now poised to be the most expensive art collection the auction industry has ever handled. The sale is estimated to surpass the $922 million collection of real-estate developer Harry Macklowe and his ex-wife Linda Macklowe, sold earlier this year, as well as the $835 million estate of banker David Rockefeller and his wife, Peggy, in 2018. Mr. Allen died at age 65 in 2018 after a recurrence of non-Hodgkin lymphoma.

Marc Porter, chairman of Christie's Americas, said the house must finish cataloging all 150 works before providing additional details on the sale's offerings, though he confirmed

PHOTO: © THE PAUL G. ALLEN TRUST

Cézanne's 1880-90 landscape, 'La Montagne Sainte-Victoire'

1960 "Small False Start," which is estimated to sell for at least $50 million, and Paul Cézanne's 1888-90 landscape, "La

The Washington Post

Democracy Dies in Darkness

T-storms 91/74 • Tomorrow: T-storms 94/73 B8

FRIDAY, AUGUST 26, 2022 - $2

Abortion nonprofit tightens pill rules

Providers: Restriction to states where procedure is legal will hurt patients

By Caroline Kitchener

New restrictions from one of the country's largest abortion funding organizations could add new obstacles for many patients in antiabortion states seeking the procedure elsewhere.

Since *Roe v. Wade* was overturned in June, patients have flooded clinics in states where abortion is legal — with many driving long distances to receive a medication abortion, a two-part regimen that includes mifepristone and misoprostol. These patients usually take the mifepristone in the clinic before driving home with the misoprostol, to be taken between 24 and 48 hours later.

The National Abortion Federation and its NAF Hotline Fund will now require patients who receive their funding to take both abortion pills in a state where abortion is legal, according to emails sent on Aug. 22 and obtained by The Washington Post. The nonprofit, which is backed largely by billionaire Warren Buffett, helped fund at least 10 percent of all abortions in the U.S. in 2020. The new rules could impact thousands of patients a year, providers say.

Patients in need of abortion funding can either call the NAF's hotline or request financial help at

SEE ABORTION ON A17

For efficacy of fall shots, what's past isn't gone

By Carolyn Y. Johnson

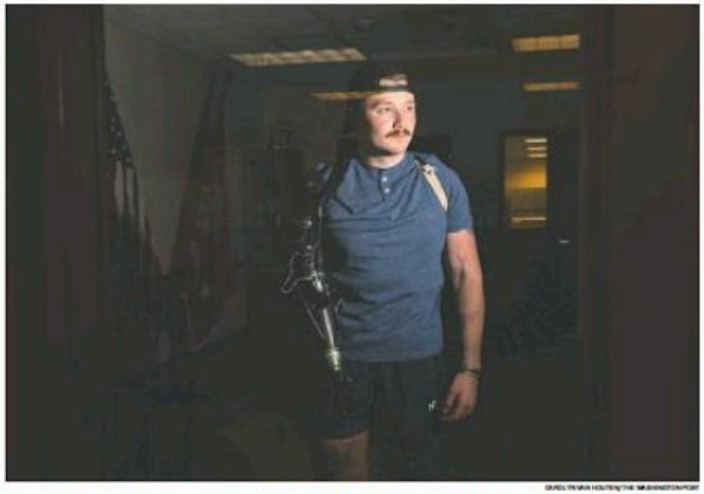
In the beginning, when the coronavirus was new, the quest for a vaccine was simple. Everyone started out susceptible to the virus. Shots brought spectacular protection.

But the next chapters of life with the virus — and the choice of booster shots for the fall and beyond — will be complicated by the layers of immunity that now ripple through the population, laid down by past infections and vaccinations.

When it comes to viral infections, past is prologue: The version of a virus to which we're first exposed can dictate how we respond to later variants and, maybe, how well vaccines work.

It's a phenomenon known by the forbidding name of original antigenic sin, and, in the case of the coronavirus, it prompts a consultation of questions. Are our immune systems stuck still rewing up defenses against a version of the virus that has vanished? Will updated boosters shots that are designed to thwart variants be much better than the original vaccine? How often will

SEE VIRUS ON A7



DAVEL TENARA HOLSTEN/THE WASHINGTON POST

Marine Sgt. Tyler Vargas-Andrews, a double amputee, at Walter Reed National Military Medical Center in Bethesda, Md., on Aug. 4. The 24-year-old, from Folsom, Calif., suffered catastrophic wounds in the blast at the Kabul airport on Aug. 26, 2021.

AFTER THE FALL

A haunting anniversary

Guilt and grief endure for troops who were at the Kabul airport disaster and Afghanistan evacuation

By Dan Lamothe

From a guard tower overlooking Kabul's airport, two U.S. Marines spotted a man matching the description of a suspected suicide bomber. They radioed their commanders: "Do we have permission to engage?"

Request denied, one of the Marines, Sgt. Tyler Vargas-Andrews, recalled being told. Too many civilians nearby.

The man vanished from view among a crush of people clamoring outside the airport's Abbey Gate, he said. It was Aug. 26, 2021. Hours later, an explosion ripped through the crowd, killing an estimated 170 Afghans along with 13 U.S. troops.

DEFENSE DEPARTMENT/ASSOCIATED PRESS

An image taken from a video shows U.S. Marines at the airport's Abbey Gate before a suicide bomber struck.

Vargas-Andrews contends that "unfortunately, a lot of people died" because he was directed to stand down. "That's a hard thing to deal with," he said. "You know, that's something that, honestly, sears at me every single day."

The 24-year-old, from Folsom, Calif., climbed down from the tower a short time before the explosion went off and suffered catastrophic wounds in the blast. He has undergone 43 surgeries since, losing his right arm, left leg, left kidney, and parts of his intestines and colon. At least 18 metal fragments remain embedded in his body, he said, silent

SEE KABUL ON A14

Mich. town yanks library's funds over LGBTQ book

Dispute over 'Gender Queer' spirals into a clash among neighbors over who gets to decide free speech

By Danielle Paquette

JOSHUA LOTT/THE WASHINGTON POST

Paunos Library's youth services librarian, Kaidin McLaughlin, worries about the harassment toward staffers after people accused the library of "grooming" children and promoting LGBTQ issues.

JAMESTOWN, MICH. — Two librarians had quit since the trouble began, and Kaidin McLaughlin didn't want to be the third.

But the same term kept coming up in board meetings and on yard signs, making her feel awkward and wrongly accused: grooming.

People in this western Michigan farming town said the Paunos Library was "grooming" children and, according to fliers that one group printed, promoting an "LGBTQ ideology." They said bookshelves meant for young readers featured same-sex pornography. They called the staff pedophiles, McLaughlin said. Then one August morning, they voted to defund Jamestown's only public library, jeopardizing the institution's future as neighbors clashed over who gets to decide free speech in this deep-red corner of America.

"I'm not a 'groomer,' " said McLaughlin, 34, gathering children's books for a lunchtime story

SEE LIBRARY ON A22

Loan relief sets off battle

EDUCATION, CLASS ISSUES AT PLAY

Complicated politics has Democrats among critics

By Matt Viser and Mark Guarino

The complex politics of student debt relief burst into full view Thursday following President Biden's decision to forgive billions of dollars in student loans, adding a twist of uncertainty to an electoral landscape that has been shifting in the Democrats' direction.

Fissures opened instantly within the Democratic Party, as moderates said Biden was doing too much and liberals demanded he do more, while Republicans lined up in adamant opposition to the debt forgiveness plan. White House officials asserted that Biden would benefit from delivering on a campaign promise that helps middle-class Americans but were scrambling to navigate the politics heading into the November midterm elections.

As current and former students nationwide began to digest

SEE STUDENT LOANS ON A4

Rally in Md.: Biden promotes policy wins as he makes midterm push. B1

'Myth' of president's security clearance

Boss isn't like other feds. That could complicate a case against Trump.

By Devlin Barrett, Ellen Nakashima and Josh Dawsey

Prosecutors scrutinizing Donald Trump for possible mishandling of classified information will have to do so without a key legal and factual element that has long been a staple of such cases, according to intelligence experts. That's because, unlike the vast majority of federal workers who access secret information, presidents are not made to sign paperwork on classified documents as part of their joining or leaving the government.

Typically, when a person gets access to restricted information, they are "read in" — a process that includes signing documents as the owner in which they acknowledge

SEE TRUMP ON A6

Mar-a-Lago search: Judge orders the release of redacted affidavit. A4