

THE HOMELAND SECURITY *NEWS CLIPS*

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TO: THE SECRETARY AND SENIOR STAFF

DATE: WEDNESDAY, APRIL 20, 2016 5:00 AM EDT

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LEADING DHS NEWS

Illegal Immigrant's Bail 'less Than The Amount It Cost To Bury My Baby': Mother

By Stephen Dinan

[Washington Times](#), April 19, 2016

The illegal immigrant children streaming across the U.S.-Mexico border have become a breeding pool for criminal gangs, the Frederick County sheriff told Congress on Tuesday, pointing to a long list of crimes including attempted murder, kidnapping, home invasion and carjacking.

Hundreds of thousands of the children have entered the U.S. and been allowed to stay under Obama administration policies, and Republicans used a hearing Tuesday to try to highlight the American victims — parents whose children were killed by illegal immigrants who gained a foothold in the U.S. because of those generous policies.

Michelle Root, mother of Sarah Root, recounted her daughter's death in Omaha, Nebraska, this year at the hands of an illegal immigrant who police said was drag racing while drunk, smashed into the young woman's car and left her brain-dead.

A local judge set his bail at "less than the amount it cost to bury my baby," and federal immigration authorities refused

to come pick him up, allowing him to escape into the shadows, where he may have fled back to his home country, Honduras.

"We are not against immigration. Sarah's grandmother was an immigration from Vienna, Austria. She did it right, she did it the right way. That's all we're asking," Ms. Root said.

Bishop Minerva Carcano of the United Methodist Church fired back, saying that using those stories to press for illegal immigrants to be deported amounted to "blind vengeance."

"It is unjust, totally unjust, to take isolated, certainly very tragic incidents, and implicate millions of our undocumented community members," she said.

She added that she found U.S. immigration laws unjust when they help prevent "hardworking" people from coming into the U.S. if they are trying to improve their family's circumstances.

"It is irresponsible to allow children to die," the bishop said.

Rep. Raul Labrador, Idaho Republican, called her testimony "disgusting" and said she showed no "consideration of the pain" of Mrs. Root and another victim's mother, Laura Wilkerson.

Mrs. Wilkerson's son Josh drove home a fellow high school student, an illegal immigrant, who took that opportunity

to punch him, knee him, slashed his spleen, took a closet rod and smashed his head, and then strangled him — twice — until he finally died.

"It's just heartbreaking to listen to your stories. What happened was wrong, it was unjust, and there's no way to make it un-happen," said Rep. Zoe Lofgren, of California, ranking Democrat on the House Judiciary Committee, which heard the testimony. But Ms. Lofgren said Mr. Labrador was wrong to call the bishop's testimony disgusting.

"We need to sort out the bad guys from the good," the congresswoman said.

Immigration authorities have said they botched the handling of the suspect in Sarah Root's death, and they have now placed him on one of their top 10 most wanted lists.

Mrs. Root pointed to yet another case of an illegal immigrant from Honduras who was charged Saturday with a drunken-driving hit-and-run killing. The suspect in that killing had previously been deported to Honduras yet snuck back into the U.S., local press reports said.

In Maryland, Frederick County Sheriff Charles A. Jenkins told Congress he's seen a massive uptick in the level of criminal behavior from illegal immigrants who arrived as unaccompanied children from Central America, flooding the border in recent years. Under Obama administration policies they are processed and quickly released to social workers, who then place them with families or other sponsors — oftentimes illegal immigrants — here in the U.S.

They are still subject to deportation, but those cases are moving incredibly slowly, and the children, who oftentimes turn 18 while awaiting their hearings, are being recruiting into criminal gangs, the sheriff said.

He said 7 of the 11 criminal alien gang members his office encountered in 2015 arrived as unaccompanied minors, and he listed their crimes: attempted murder, kidnapping, armed robbery, home invasion and carjacking.

"The growing alien gang problem has spread into one high school where fights and violence between MS-13 and 18th Street are routine," he said, naming two of the big gangs that recruit from Central America.

He also said the violence from Central America follows some of the immigrants to the U.S., including one victim who fled El Salvador to avoid an MS-13 hit on him there, but which was carried out by MS-13 members here.

Ms. Lofgren questioned Sheriff Jenkins' presence at the hearing, chastising him for a federal court finding his department engaged in racial profiling.

"Racial profiling raises fundamental constitutional concerns. It has no place in law enforcement, and certainly not in the Judiciary Committee," she said.

Sheriff Jenkins said there was no profiling in that case and two officers were actually responded to a woman who took off running from them.

"These guys were police officers doing their job," he said.

Iowa Mother Pleads For Immigration Policy Changes

By Kathy A. Bolten

[Des Moines \(IA\) Register](#), April 19, 2016

Michelle Root left a congressional subcommittee hearing Tuesday emotionally drained but hopeful that more attention will be paid to how the United States handles people in the country illegally who are accused of crimes.

"It made me feel good that people are taking notice and starting to speak up," said Root, one of four people who testified before the U.S. House's Immigration and Border Security Subcommittee.

Root's 21-year-old daughter Sarah died from injuries she received in a violent car crash in Omaha on Jan. 31. The crash occurred just 16 hours after the young woman, who lived in Council Bluffs, attended her college commencement ceremony.

Eswin G. Mejia, the 19-year-old charged in the case, was in the U.S. illegally, authorities said. Police say Mejia was driving drunk and street racing when his vehicle slammed into Root's SUV. Mejia was charged with motor vehicular homicide-driving under the influence. Three days after posting bond, he failed to show up for a mandatory drug screening. An international manhunt to find him is underway.

The case has ignited a flurry of finger-pointing over who's to blame for letting Mejia out of jail.

Local law enforcement officials asked the federal Immigration and Customs Enforcement agency to issue a detainer that would have kept Mejia in jail for a few additional days. The extra time could have potentially given local officials time to persuade ICE officials that Mejia, who entered the country illegally in 2013 as an unaccompanied minor, was a flight risk.

ICE declined to issue the detainer and has since said that even with the detainer, Mejia would have been eligible for a bond hearing before an immigration judge, "because he had no criminal conviction" and wasn't subject to mandatory detention under federal immigration laws.

In late March, the agency placed Mejia on its most wanted listed.

Rep. John Ratcliffe, R-Texas, told Michelle Root that her daughter's case prompted Ratcliffe to get involved in a similar incident in his home state. On March 31, a Texas fireman and his two young children were killed in a car crash involving a man in the country illegally. Ratcliffe told Root that because of what happened in Sarah's case, he called ICE director Sarah Saldana and requested an immigration detainer be issued for the man, who Ratcliffe said swerved into the fireman's vehicle.

The man charged in the case had previously been deported but re-entered the country illegally, Ratcliffe said. "And here I was begging ICE to do its job. But because of your family's experience I knew there was a chance that ICE might refuse to act but I also believe, because of the attention Sarah's story has brought to this issue I'm happy to report that ICE did intervene."

Said Root: "His comments gave me hope that maybe we'll start to enforce the law."

Parents of an Iowa woman killed in a crash want a judge reprimanded because they say he set bond too low for the man accused of causing the accident. Police say the man, now on the lam, was in the U.S. illegally.

Root told subcommittee members that the \$5,000 Mejia posted for his bond was less than the cost of Sarah's funeral and burial.

"My family, like many Americans, holds no ill will to people who desire the American dream," said Root, 47, of Modale, Iowa. "We just ask that controls be put into place to control the entry and that (immigrants) be documented and vetted through legal means so ... another family would not have to experience the pain and frustration that our family and Sarah's friends have experienced."

Rep. Lamar S. Smith, R-Texas, asked Root what she would say to President Barack Obama about immigration if given the chance.

"I would like to ask him if this was one of his children — he only has two, as I do — if he would still agree with this law" and how ICE carries out federal immigration policies, Root replied.

Root, who was accompanied to Washington, D.C., by her son and her sister, was in the Senate Gallery Monday afternoon when Iowa Sen. Chuck Grassley, a Republican, paid tribute to Sarah Root.

"Even though this tragic accident happened in the heartland of America, this is a border security problem," Grassley said.

Root said she got emotional when Grassley spoke about Sarah.

"Hopefully some good will come out of this tragedy," she said.

Sheriff Tells U.S. House Subcommittee That Immigration Approach Is Working

By Meggie Morris

[Frederick \(MD\) News-Post](#), April 19, 2016

WASHINGTON — Frederick County Sheriff Chuck Jenkins told Congress on Tuesday that his agency's partnership with federal immigration authorities is working — people who are in the U.S. illegally and suspected of being involved in transnational gang activity and violent crime are being removed from the community.

The House Judiciary Subcommittee on Immigration and Border Control invited Jenkins for the first in a series of fact-finding hearings to determine whether current federal immigration policies are effective.

"Surely, we can all agree, protecting the public from violence and lawlessness is the pre-eminent function of government," said subcommittee Chairman Trey Gowdy, R-S.C.

Jenkins, in full uniform, recommended that more communities follow the Frederick County model of close coordination with Immigration and Customs Enforcement. Since 2008, ICE has trained certain law enforcement officers to carry out and enforce federal immigration laws. This coordinated effort has ensured the safety of his community, Jenkins said.

"We all know that open-border policies and failure to enforce the laws have impacted public safety in every community in America, and cities are becoming war zones," he said. "This program has been very effective in the identification, detention and removal of criminal aliens. Through our partnership with ICE, we have effectively built an enforcement wall around Frederick County."

But critics of the program warned that it perpetuates racial profiling, tears immigrant families apart, and puts broader public safety at risk.

Bishop Minerva Carcaño, of the United Methodist Church's California-Pacific Conference, said allowing local police to — in effect — serve as immigration enforcement officers has detrimental effects on community safety.

"Community members become reluctant to report a crime that they witness, or are victim to, because they fear police officers will inquire about the immigration status of themselves or their friends, neighbors or family members," she said.

Some 1,400 people who have committed crimes in Frederick County since the program began, however, have been channeled into removal proceedings, according to Jenkins, a Republican.

The Immigration and Customs Enforcement website reports that nearly 316,000 people who were in the U.S. illegally were removed or returned to their country of origin in 2014.

Ray Garza, a former police officer and chairman of the Frederick Immigration Coalition, said that despite the obvious benefits of targeting serious criminals, local authorities exclude immigrants from their sphere of protection when they work hand-in-glove with federal immigration agencies.

"If I'm undocumented and ... my child is missing; do I call the police?" Garza said. "Tomorrow, [the police officer] may knock on my door and say, 'Hey, put your hands behind your back.'"

"When you pledge to serve and protect, that means everybody," Garza added.

Jenkins said his agency treats everyone equally in the course of its work with ICE.

"Everybody that's arrested in Frederick, regardless of the crime, the ethnicity, the race, the gender ... is asked two very simple questions," he said. "What country are you a citizen of, and where are you born?"

Any answer other than "the U.S." initiates an investigation with ICE.

Immigration Hearing Focused On Grieving Mothers

By Tim Ryan

[Courthouse News](#), April 19, 2016

WASHINGTON (CN) — House Republicans on Tuesday used the testimony of two mothers of victims killed by people in the country illegally to attack the Obama administration's immigration policies.

Michelle Root and Laura Wilkerson provided tearful, moving testimony about their children at the start of the hearing that served as backdrops for lawmakers to lob criticism of immigration policy that fell strictly along party lines. Both women pleaded with the committee to take action to change immigration laws.

"There are thousands of our stories out there," Root said. "Something needs to be done."

Sarah Root, 21, died in a car accident in January after a person in the country illegally allegedly rear-ended her while driving drunk and drag racing. The alleged driver, Eswin Mejia, posted 10 percent of his bail after being charged in Root's death and fled town.

Josh Wilkerson, 18, died in 2010 at the hands of a person who had allegedly overstayed his visa for eight years and who ICE reportedly declined to take hold of after a harassment charge months before.

The elder Wilkerson retold from the witness stand in graphic detail Hermilo Morales's description of how he killed her son by punching him in the face, kneeling him in the abdomen and then beating him with a curtain rod. Morales then put her son in the trunk of a truck, dumped his body in a field and lit it on fire, Wilkerson said.

Morales was convicted of the murder in 2013 and sentenced to life in prison.

Wilkerson told the House Subcommittee on Immigration and Border Security on Tuesday morning that she was astounded by what she saw as the Obama administration's unwillingness to follow immigration laws, and rejected arguments that tough immigration laws instill fear into people in the country illegally.

"Do you all know what fear is?" Wilkerson said through tears. "When somebody reaches in your house and grabs your littlest kid and tortures him, you're afraid of everything for

a long time. I could care less about the fear that they've put themselves in here. I didn't bring my kid across the border."

Republican charges against the administration's immigration policies reached their strongest point when Rep. Lamar Smith, R-Texas, wondered whether President Barack Obama deserved blame for the deaths of Root and Wilkerson.

"And quite frankly all this makes me wonder if President Obama might be an accessory to the crimes committed by illegal immigrants, since he intentionally undertook policies that he knows are going to result in the murder and loss of life and injury to innocent Americans," Smith said.

Rep. Zoe Lofgren, D-Calif., interrupted with a parliamentary inquiry, noting committee rules prohibit members from charging the president with a crime.

While committee members regularly referenced Root and Wilkerson's testimony during the hearing, they asked them relatively few questions. Instead, lawmakers directed most of their questions towards United Methodist Church Bishop Minerva Carcano, who pleaded for compassionate immigration reform and cautioned against lumping everyone in the country illegally in with Root and Wilkerson's killers.

"I implore you to reject blind vengeance, which is never restorative and is not practical," Carcano said in her opening statements. "We must not allow our grief to divide our communities and engender hate and fear against immigrant brothers and sisters."

As an advocate for comprehensive immigration reform, as well as a path to citizenship for people in the country illegally and labor laws designed to protect all types of immigrations, Carcano took the brunt of the Republicans' attacks.

Rep. Trey Gowdy, a South Carolina Republican who chaired the hearing, especially took exception to Carcano's calls not to generalize the population, accusing her of doing just that by suggesting all 12 million people in the country illegally were seeking to become law-abiding citizens.

After Gowdy asked her about what laws Carcano would propose to prevent incidents like the shooting death of Kate Steinle, also allegedly at the hands of a person in the country illegally, Carcano advocated for nuance in discussing immigrants and immigration policy.

"That's a very tragic situation," Carcano said. "But you cannot blame all immigrants, documented or undocumented, for the action of one person, and that's what you are doing."

Gowdy suggested the bishop's approach to immigration law was dangerous.

"Your approach is to wait for the murder and then do the deportation," Gowdy said.

Rep. Raul Labrador, R-Idaho, also went after Carcano, saying her testimony and positions on immigration policy directly clashed with the experiences of Root and Wilkerson.

"I can't even put into words the pain that you must be going through and to hear the testimony, with all due respect, of Bishop Carcano, that she just really took no consideration [of] the pain and suffering that you're going through, that Ms. Root, you're going through," Labrador said. "And to put the needs and benefit of people that are here illegally ahead of people that are born in the United States that are U.S. citizens, that have suffered like you have suffered, I can't even put into words how disgusting it was in my opinion."

Rep. Bob Goodlatte and Carcano had a heated back and forth after the Virginia Republican accused Carcano of "aiding and abetting" people in the country illegally.

Carcano insisted people who seek to come to the United States do so not because they desperately want to come here, but because they have little other choice, laying some blame on U.S. foreign policy.

"Central Americans have come here because we've been involved in their economies in disastrous ways," Carcano said. "We've been involved in their politics in ways that have undermined their countries and left their societies in shambles."

While Wilkerson seemed to mostly agree with the committee Republicans on how to address immigration reform, she laid responsibility on all lawmakers to take action instead of simply talking about a solution.

"I testified before the Senate last July of 2015 and told this story, nothing has been done about it," Wilkerson said. "We can have hearing after hearing after hearing, until there's action, we're just talking."

The hearing comes the day after the U.S. Supreme Court heard arguments on Obama's executive actions that would delay the deportation of 4 million people in the country illegally.

Senate Passes Bill That Would Boost Airport Security

By Joan Lowy

[Associated Press](#), April 19, 2016

WASHINGTON (AP) — The Senate approved a bipartisan aviation policy bill Tuesday that would boost airport security, extend new protections to airline passengers and help speed the introduction of package-delivery drones.

The bill, passed on a vote of 95-3, would also extend the Federal Aviation Administration's programs and powers through Oct. 1, 2017. That authority is due to expire July 15.

"This legislation does more to enhance security against the threat of terrorism and help frustrated passengers than any proposal in recent history," said Sen. John Thune, R-S.D., the bill's chief sponsor.

The House, bogged down in a dispute over whether to privatize air traffic control operations, must still act. Airlines have been pressing for privatization, arguing that the FAA's

culture is too slow and inflexible to finish the air traffic system's transition from old radar technology to satellites. The modernization has dragged on for more than a decade and fallen short of promised financial benefits and reduced congestion.

Thune decided to sidestep the issue given strong opposition scheme from Democrats and powerful GOP committee chairmen reluctant to cede a large share of Congress' authority over aviation to a private, nonprofit corporation.

The bill written by Thune, the Senate Commerce committee chairman, and Sen. Bill Nelson of Florida, the panel's senior Democrat, targets aviation safety, security and consumer concerns in ways broadly supported by both parties. Thune is pitching the measure to House members as a way to make important policy changes without waiting for the privatization question to be sorted out, which might not happen this year.

But Rep. Bill Shuster, R-Pa., chairman of the House transportation committee, made clear after the vote that he still wants an aviation bill that includes privatization.

"Transformational air traffic control reform is absolutely necessary to end the unacceptable status quo at the FAA and to ensure the future of America's aviation system," he said in a statement.

Under the bill, airlines would have to refund checked bag fees to passengers whose luggage is lost or arrives more than six hours after a domestic flight has landed and more than 12 hours after an international flight has landed. Fees for services not delivered, such as advance seat assignments or early boarding, would also have to be refunded.

Airlines' disclosure of fees for checked bags, seat assignments and ticket changes or cancellations would be standardized so consumers can more easily compare prices as they shop for tickets. Airlines would also have to seat families together at no extra charge.

Missing from the bill, though, was a Democratic amendment the Senate rejected that would have barred airlines from further shrinking the size of seats and required the FAA to set minimum dimensions for passenger space.

The consumer provisions were opposed by the airline industry. Nick Calio, president of the trade association Airlines for America, said they "would take a step backward to pre-1978 regulation policies and make it more difficult for consumers to afford to fly."

Responding to last month's attack in Brussels and the destruction of a Russian airliner by a suspected bomb last year, several security-related provisions were added:

-Authorizing an increase from 30 up to 60 in the number of government "viper teams" that stop and search suspicious passengers in airport public areas that are outside the security perimeter, often using bomb-sniffing dogs.

-Requiring the Transportation Security Administration to use private companies to market and enroll more people in its PreCheck program while ensuring PreCheck screening lanes are open during high-volume travel times. The aim is to reduce crowds waiting for security screening by vetting more passengers before they arrive to get them through checkpoints faster.

-Enhancing the vetting of airport employees who have access to secure areas, expanding random inspections of employees and reviewing perimeter security.

-Requiring secondary barriers on all new passenger airliners to keep unauthorized people from gaining access when a pilot opens the cockpit door. The wife of a pilot killed in the Sept. 11, 2001, attacks led the lobbying effort to require the barriers.

The bill also would remove obstacles to commercial use of drones while enhancing privacy and safety protections. It requires that within two years the FAA authorize package deliveries by drones. The agency would create a small drone "air carrier certificate" for operators of delivery drone fleets, similar to the safety certificates granted to commercial airlines. The rules are needed for Amazon and other companies to deploy fleets of delivery drones.

Another provision would establish criminal penalties for the reckless use of drones, aimed at penalizing operators who fly drones near airports without prior approval. Another provision requiring the TSA to restore passenger screening at small airports where airline service has been reduced would force the agency "to reallocate staff and equipment from higher-risk, higher-need facilities," the White House said in a statement.

The White House criticized the bill's delivery-drone language as "overly prescriptive" and said it would disrupt the agency's ongoing efforts to write safety regulations for commercial drone flights.

Follow Joan Lowy at twitter.com/AP-Joan-Lowy. Her work can be found at <http://bigstory.ap.org/content/joan-lowy>

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Senate Passes Bill To Boost Travel Security After Brussels

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Senate Approves FAA Bill With Traveler, Security Provisions

By Bart Jansen

[USA Today](#), April 19, 2016

WASHINGTON – The Senate overwhelmingly approved legislation Tuesday to require the Transportation Department to standardize how airlines disclose ever-increasing fees for baggage, flight changes and seat selection – and refund some fees when services aren't provided.

"Travelers are frustrated and this bill contains common-sense reforms to make travel safe and secure, and more passenger friendly," said Sen. John Thune, R-S.D., who led the committee that drafted the bill.

But the bill governing the Federal Aviation Administration must still be reconciled with the House, where contentious legislation would shift air-traffic control from the FAA to a not-for-profit corporation. The Senate bill, which was approved on a 95-to-3 vote, didn't address privatization.

Traveler-oriented provisions in the Senate bill include:

- Automatic refunds for fees or services that aren't received, such as seat assignments, early boarding and carry-bags.

- Refunds of baggage fees when luggage is lost or delayed six hours after arrival of a domestic flight and 12 hours after an international arrival. Airlines charged \$2.8 billion in bag fees last year, according to the Transportation Department.

- Airline notification to families when tickets are booked if seats aren't adjacent.

- A ban on cell-phone calls aboard planes in flight. A similar provision is in the House bill.

"It contains some of the most significant passenger-friendly reforms and airport-security enhancements that we've seen in years," said Sen. Bill Nelson of Florida, the top Democrat on the committee who worked with Thune to approve the bill. "Consumers feel like they're nicked and dined to death."

Airlines for America, a trade group representing most of the largest carriers, said Congress deregulated the industry in 1978 and new rules are unnecessary. Passengers can already file a claim with the Transportation Department for up to \$3,400 compensation for a lost bag, the group said.

"Airlines already have extensive policies and protocols in place without additional regulation — and those policies are put forth in a way that works for the unique business model for that carrier and responds to the competitive forces under which they operate," said Melanie Hinton, a spokeswoman for the group. "Additional regulation is completely unnecessary."

The Senate bill would also require a review of how airlines provide information about delays or cancellations

blamed on weather. That provision stems from concerns that airlines and airports sometimes cancel flights for reasons not related to weather hazards, such as the size of planes.

Security provisions in the bill would:

- Criminalize drone flights that interfere with occupied aircraft, with penalties up to life in prison for causing serious injury or death, under an amendment from Sen. Sheldon Whitehouse, D-R.I. The approval came two days after a British Airways pilot reported colliding with a drone while approaching Heathrow airport and then landing safely.

- Require airlines to install wire-mesh gates between the cockpit and seating area of new airliners, to provide a second barrier when pilots open the flight-deck door, under an amendment from Sens. Robert Casey, D-Pa., and Patrick Toomey, R-Pa. A similar provision is in the House bill.

- Double the number of Transportation Security Administration teams from 30 to 60 that patrol airports away from checkpoints, such as around baggage claim or check-in desks where the Brussels bombings occurred March 22, under an amendment from Sen. Martin Heinrich, D-N.M. The so-called Visible Intermodal Prevention and Response teams often have dogs to sniff for explosives.

"It's a win for passengers," said Senate Majority Leader Mitch McConnell, R-Ky. "It's a win for national security."

The Senate rejected a proposal from Sen. Charles Schumer, D-N.Y., to force the department to set minimum standards for the distance between airline seats and their width.

Sen. Jeff Flake, R-Ariz., tweeted a picture from a tight airline seat April 7 that he might have been impetuous voting against the amendment.

The White House praised the Senate's bipartisan effort, but urged in a statement that the legislation last longer than the September 2017 extension in the Senate version. The House committee version, which the full House hasn't voted on, would last six years.

In addition, the White House had concerns about safety and security provisions. A directive for FAA to certify standards for drone deliveries within two years is "overly prescriptive" and requiring the Transportation Security Administration to serve small airports would mean shifting staff from high-risk airports, the White House said.

The Senate and House have until July 15, when the FAA's current authorization expires, to reach a compromise for President Obama to sign.

Air-traffic control remains contentious. Rep. Bill Shuster, R-Pa., who heads the House Transportation Committee, said he could continue pushing to privatize air-traffic control as he negotiated compromise legislation with the Senate.

But Delta Air Lines, the only major carrier to oppose the proposal, issued a statement praising the Senate bill and calling privatization "misguided."

Lawmakers Say Secret Service Running Out Of Agents

By Joel Gehrke

[Washington Examiner](#), April 20, 2016

Two lawmakers claimed Tuesday that the U.S. Secret Service may need to seek outside help to fulfill its mission because agents are leaving the agency faster than they can be replaced.

"USSS simply cannot hire enough personnel to keep pace with historic attrition rates," House Oversight and Government Reform Committee chairman Jason Chaffetz, R-Utah, and ranking Democrat Elijah Cummings of Maryland noted in a Tuesday letter to Secret Service director Joseph Clancy.

"The committee encourages USSS to explore innovative ways to fill this staffing gap—such as detailing qualified law enforcement officials or [administrative, professional, and technical] employees from other agencies—in the short-term while continuing its long-term efforts to develop a zero-based budget and increase hiring and retention," they wrote.

Their letter comes on the heels of a DHS probe that raised questions about the agency's "ability to protect the White House and its occupants." The inquiry was launched after a man succeeded in jumping a fence and entering the White House in 2014.

DHS attempts to bolster the number of special agents have so far failed, because the staffing increases were outstripped by the number of departures over the last two years. If the problem persists, Congress could mandate major overhauls of the Secret Service to ensure that it succeeds at its core "zero-fail mission" of protecting the president.

"Although they may have only indirectly contributed to the events of that night, underlying and continuing resource and management issues are negatively affecting the Uniformed Division and, potentially, its ability to protect the White House and its occupants," the DHS inspector general warned in a report released Tuesday. "In particular, the Uniformed Division is severely understaffed, which has led to inadequate training, fatigue, low morale, and attrition."

The presidential elections are exacerbating the staffing problem by putting an additional strain on the U.S. Secret Service resources, but the larger problem is that employees are leaving faster than the agency can hire special agents.

"Nearly every USSS employee who spoke with the [inspector general] said they had serious concerns regarding UD staffing shortages," the lawmakers observed. "Some employees characterized the agency as 'hemorrhaging' employees."

Secret Service Agents Leaving Faster Than Can Be Replaced: Report

By Rebecca Savransky

[The Hill](#), April 19, 2016

Two lawmakers say the U.S. Secret Service may be running out of agents and could need to use outside help, according to the Washington Examiner.

"USSS simply cannot hire enough personnel to keep pace with historic attrition rates," House Oversight and Government Reform Committee Chairman Jason Chaffetz and ranking Democrat Elijah Cummings of Maryland said Tuesday in a letter to Secret Service Director Joseph Clancy.

The letter, which comes after a Department of Homeland Security (DHS) probe that questioned the agency's "ability to protect the White House and its occupants," called on the U.S. Secret Service to find ways to maintain the necessary level of staff. The probe was conducted after a man jumped over the fence and went into the White House in 2014.

"The committee encourages USSS to explore innovative ways to fill this staffing gap-such as detailing qualified law enforcement officials or [administrative, professional, and technical] employees from other agencies-in the short-term while continuing its long-term efforts to develop a zero-based budget and increase hiring and retention," the letter said.

"Nearly every USSS employee who spoke with the [inspector general] said they had serious concerns regarding UD staffing shortages," the lawmakers said.

"Some employees characterized the agency as 'hemorrhaging' employees."

The DHS was working to increase the number of special agents, but its efforts have been unsuccessful because so many people have left the department over the past two years, according to the Examiner.

"Although they may have only indirectly contributed to the events of that night, underlying and continuing resource and management issues are negatively affecting the Uniformed Division and, potentially, its ability to protect the White House and its occupants," the DHS inspector general said in a report released Tuesday.

"In particular, the Uniformed Division is severely understaffed, which has led to inadequate training, fatigue, low morale, and attrition."

Watchdog Outlines Secret Service Failures In Incident Involving Man Entering White House

By Rebecca Shabad

[CBS News](#), April 19, 2016

The Secret Service's failure to react immediately to a 2014 fence jumper who was able to make it inside the White House was due to technical problems with radios and notification systems as well as construction at the White House, according to a new report.

Published Tuesday by the Department of Homeland Security's inspector general, the heavily redacted report said that on the night of September 19, 2014, there was a communication breakdown among Secret Service personnel when Omar Gonzalez decided to scale a 7 ft. 6 inch iron fence that was under construction on the north side of the White House.

Within four minutes, Gonzalez had made it over the fence, ran across the White House grounds to the North portico doors, which were open and unlocked, and knocked down an officer posted on the other side who "could not lock the doors."

In all he eluded eight secret service members before being apprehended in the East Room. He was found carrying a knife.

Gonzalez passed eight Secret Service personnel unhindered before he was apprehended, the report said.

"No other fence jumper has ever made it so far through the Secret Service's defenses," it said.

When the incident began to unfold, the report said there were problems with radio transmissions and at least one Secret Service post didn't have audio capability. As a result, many officers were unaware of what was happening. Inadequate training and inexperience using radios, in addition to the old age of the equipment, might have also contributed to the situation, the report said.

According to the report, the series of failures included the alarm system inside the command center being set too low to be audible and the alarm system inside the white house being "muted," a revelation personnel quoted in the report called "shocking."

Responding officers "did not hear any radio communications about the fence jumper" and one officer who drew his weapon and took cover behind a pillar "was reacting to what he thought was a fight."

For the last two years, Congress allocated more overall funding to the Secret Service than the agency had requested, but the report explains that it often has to direct funding intended for unexpected events or trips rather than making upgrades to their equipment.

Trees and foliage also obscured the view of Gonzalez for Secret Service officers once he was on White House grounds.

"Severe" understaffing might have also impeded the response, the report said. As of 2015, the Uniformed Division of officers for the White House was short 72 officers, but taking into account giving their officers regular days off, they were short 159 officers.

At the time of the incident, President Obama was not at the White House and had just left the South grounds of the complex by helicopter to head to Camp David. The report also notes that before the incident, federal law enforcement was made aware that state and local law enforcement had

arrested him, but concluded he didn't pose a threat to Mr. Obama or the White House.

After the incident, investigators found more than 800 rounds of ammunition in Gonzalez's car as well as two hatchets and a machete.

The Secret Service has taken action since that incident to try to ensure that it wouldn't happen again, but the report said "it's too early to tell whether these actions will lead to more effective protective operations."

The inspector general, meanwhile, issued 14 different recommendations in the report including regularly testing radios and establishing protocols at an operations center to monitor cameras from both sides of the White House grounds. In a statement, the Secret Service said they concurred with all 14 recommendations.

"We are confident that the actions we have taken and will take will continually enhance our organization and operations," the statement continues. "Our workforce remains dedicated to protecting the nation's highest leaders and the facilities we secure."

Gonzalez was sentenced last June to 17 months in prison plus 36 months of supervised release. He was released, however, in December after the judge in the case believed that as long as he stayed on his medication, he doesn't pose a threat to society.

"I mean it is totally unacceptable that someone wearing Crocs, who already had foot problems, could make his way all the way in past security, into the white house," said Congressman Jason Chaffetz, chairman of the House Oversight Committee.

The Big, Overlooked Question In Supreme Court Immigration Case

By Henry Gass

[Christian Science Monitor](#), April 19, 2016

Washington — For many Americans, the most immediate concern about the case the Supreme Court heard on Monday is what effect it will have on President Obama's attempt to reform United States immigration law and provide relief to more than 4 million undocumented immigrants.

But should the shorthanded court arrive at a decision, the case could have a much more far-reaching impact: It could exacerbate Washington gridlock by paralyzing federal agencies or opening them up to endless lawsuits from the states.

Experts say the case has the potential to dramatically redefine how federal agencies enforce US law. On one extreme, a decision could enable federal agencies to enact sweeping new regulations without much public or judicial oversight. And on the other, federal agencies could become so limited in how they operate that the entire US bureaucracy almost shudders to a halt.

"If [this case] gets to the merits," says Cary Coglianese, a professor at the University of Pennsylvania Law School and an expert on regulation, it will raise "a vital set of questions about the power that regulatory agencies can wield through their [enforcement] discretion about who to target and who not to." "The power of 'guidance'

When Congress failed to pass comprehensive immigration reform in 2013 and 2014, Obama issued a pair of executive orders to provide relief to more than 4 million undocumented immigrants, by making them low priorities for deportation and giving them access to renewable work permits.

Jeh Johnson, head of the Department of Homeland Security, announced the two policies in an internal memorandum, commonly called a "guidance document," that isn't subject to mandatory public comment or judicial review. Because the DHS has enforcement discretion over deportation procedures, he said the agency could choose which immigrants to prioritize and which not to.

But 26 states sued over the two policies, and a federal judge – and then a federal appeals court – upheld their challenge that the DHS had overstepped its regulatory bounds with the policies, essentially creating new immigration laws. A preliminary injunction went into effect, and to this day the two executive orders have never been implemented, while the case, *United States v. Texas*, has wended its way to the high court.

There is a significant question mark over whether the court will issue a decision on the case's merits. Much of Monday's arguments focused on whether the states even have standing to bring the lawsuit in the first place.

The states argue, and the lower courts have upheld, that they can sue because the immigration policies would cause injury to at least one of them – in this case, Texas, which says it would be forced to pay for hundreds of thousands of new drivers licenses for undocumented immigrants. The Obama administration argues that the harm is injury is self-inflicted, as Texas is not obligated to provide drivers licenses to the undocumented.

But if the court does agree that the states have standing, experts say that alone could have significant implications for federal agencies. "If the court does accept the standing here, there is a risk that it will afford states many, many more opportunities [to sue]," says Dr. Coglianese. A delicate balance

Accepting the states' standing would also have other implications regarding how federal agencies could carry out their day-to-day operations.

Federal agencies exist at the nexus of the three branches of government, so they intrinsically have some latitude over how they choose to act. In this case, the states argue that given the scope of the immigration orders, they should have been subject to a "notice-and-comment"

procedure, a process much more rigorous and time-consuming than simply issuing a guidance document.

If the court sides with the states on that issue, experts say, it could force agencies to go through notice-and-comment more often, fundamentally limiting how much an agency can get done.

Guidance documents are “really important for the day to day operations of agencies,” says Jed Stiglitz, an assistant professor at Cornell Law School. A decision limiting when such documents can be used “really discourages agencies with providing guidance to the public, and also ... makes it harder for agencies to manage themselves.”

The Johnson memorandum, for example, came out five months after Obama pledged to take executive action on immigration. In contrast, the Clean Power Plan – Obama’s landmark climate regulations finalized in August 2015 – took 16 months to go through notice-and-comment procedures.

But if the court sides with the administration on that issue, guidance documents could suddenly give agencies a tremendous amount of power.

“You can imagine agencies shifting a lot of rules that would normally go through notice-and-comment into instead policy statements,” adds Professor Stiglitz. “To the extent we think we benefit from the notice-and-comment process, the transparency and so forth, that [shift] could be harmful.” “Agencies will adapt”

The case’s impact on federal agencies could be rendered moot in several ways:

The notice-and-comment issue was barely mentioned during arguments on Monday, so it’s possible the justices won’t issue a guidance on that point at all.

They could issue a very narrow opinion that avoids a dramatic reshaping of agency authority.

The justices could also split 4-to-4, as the court remains shorthanded following Antonin Scalia’s death and Republican senators’ decision not to hold hearings for Merrick Garland, Obama’s nominee to replace him. Should the court split evenly, it would issue no opinion and the lower ruling would stand, albeit with no national precedent.

If the court does issue a seismic decision, Coglianese says agencies have adapted to similarly major changes before, including the 1946 Administrative Procedures Act, now the foundational text of federal agency regulations, and the Freedom of Information Act.

“Agencies will adapt,” he says. “If they have to put more guidance documents through the notice-and-comment process they will probably [do that]. I don’t think we’re really going to see a paralysis take place within the federal government just because of that.”

Borderline Deception

[Pittsburgh Tribune-Review](#), April 20, 2016

Say something enough times and people just might believe it. But the repeated deception by the Obama administration about border “security” has strained credibility to its breaking point.

The latest reality stretch came from Homeland Security Deputy Secretary Alejandro Mayorkas, who addressed a global travel and tourism summit in, of all places, Texas — one of America’s more popular gateways for illegal aliens. With presumably a straight face, Mr. Mayorkas insisted that the U.S. border with Mexico “is more secure now than it has been in many, many years.”

No only does the flood of illegals overshadow that claim, the types of border crashers today raise growing concerns over U.S. security.

For more than a decade, the U.S. government has known that “Arab extremists” are entering the United States through Mexico via smuggling networks, based on State Department documents cited by Judicial Watch. Among them is a top al-Qaida operative wanted by the FBI.

And never mind the apprehension of four suspected terrorists in 2014 in Texas, Judicial Watch reports.

The Obama administration has been exaggerating border security since former Homeland Security Secretary Janet Napolitano assured all was well despite escalating drug cartel violence and human smuggling at the Mexican border. This pretense of security will continue until Americans replace the mindset that enables it.

IMMIGRATION AND CUSTOMS **ENFORCEMENT**

Ingleside Man Charged With Selling Counterfeit Goods

By Francesca Gattuso

[Chicago Sun-Times](#), April 19, 2016

A 43-year-old man was charged Monday for acquiring and selling counterfeit items in northwest suburban Ingleside.

Felipe Aparicio-Nolasco, of the 35400 block of North Wilson Road in Ingleside, was charged with one count of possession/sale of counterfeit goods following an investigation Lake County Sheriff’s Office Detectives and U.S. Department of Homeland Security agents began in February, according to a statement from the Lake County Sheriff’s Office.

On Monday, Aparicio-Nolasco accepted a delivery of about 170 pieces of counterfeit Nike and Adidas apparel, police said. After the delivery, officials found about 1,000 counterfeit items inside Aparicio-Nolasco’s home totaling nearly \$60,000.

Aparicio-Nolasco was arrested and brought to the Lake County sheriff's office where he admitted to having and selling the goods to local soccer teams, police said.

He was ordered held on a \$5,000 bond and is scheduled to appear in court May 19, police said. Additional charges are possible pending the investigation.

The counterfeit goods Felipe Aparicio-Nolasco was in possession of and selling. | Lake County sheriff's office

Cross-Border Drug Tunnel Found In Otay Mesa

By Lyndsay Winkley

[San Diego Union-Tribune](#), April 19, 2016

OTAY MESA — A cross-border drug tunnel was uncovered in Otay Mesa, authorities confirmed Tuesday. It is the third to be found in the region in recent weeks.

U.S. Attorney Laura Duffy and top federal officials will discuss the discovery at a news conference Wednesday morning.

The announcement will be made at Marconi Drive and Enrico Fermi Drive, which is less than a mile from the U.S.-Mexico border. A business near the location was surrounded by federal and unmarked law enforcement vehicles Tuesday afternoon.

The unveiling will mark the third such discovery since a 415-yard drug tunnel was seized in March that connected a restaurant in Mexicali to a house in Calexico.

Authorities said then that it was the first time drug traffickers had purchased a piece of land to construct a house specifically to conceal a drug tunnel. On March 7, officials seized more than 1,350 pounds of marijuana that had been smuggled through it.

Then, on April 14, a Border Patrol agent discovered a 142-foot tunnel along the banks of the All-American Canal. While patrolling the area, dirt gave way exposing a tunnel lined with lumber and equipped with electricity.

The tunnel started about 60 feet south of the U.S.-Mexico border.

Drug Tunnel Linking Otay Mesa, Tijuana Discovered

[Imperial Beach \(CA\) Patch](#), April 19, 2016

SAN DIEGO, CA: The discovery of a smuggling tunnel linking Otay Mesa and Tijuana was announced by authorities Monday.

Federal officials declined to release details about the underground passageway prior to a Wednesday morning news conference with U.S. Attorney Laura Duffy and supervising agents with U.S. Immigrations and Customs Enforcement and the U.S. Drug Enforcement Administration.

The discovery comes six months after investigators ferreted out a well-appointed tunnel stretching nearly a half-

mile underneath the international line between warehouses in the same two border communities.

Law enforcement agents raided that roughly 800-yard-long subterranean passageway — which was outfitted with ventilation, electric lighting and rails for ferrying contraband — on the night of Oct. 21, hours after it went into use for the first time, authorities said at the time.

CUSTOMS AND BORDER PROTECTION

Airport Customs Officials Find 14 Pounds Of Cocaine In Bags

[Associated Press](#), April 19, 2016

ATLANTA (AP) — U.S. Customs and Border Protection officials say a woman was arrested at Atlanta's airport with more than 14 pounds of cocaine concealed in purses, jackets and llama skins.

The customs agency said in a statement on Tuesday that the woman is a U.S. citizen who arrived at Hartsfield-Jackson Atlanta International Airport on Sunday from Lima, Peru. Customs agents discovered a white, powdery substance during an inspection of her baggage and tested it.

The statement says the cocaine totaled about 14.4 pounds, with a street value of about \$450,000.

The woman was turned over to local law enforcement. Her name was not provided.

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Woman Arrested At Atlanta Airport, 14 Pounds Of Cocaine Seized

[Atlanta Journal-Constitution](#), April 19, 2016

U.S. Customs and Border Protection officials say they arrested a woman with more than 14 pounds of cocaine at Hartsfield-Jackson International Airport on Sunday.

The woman, a United States citizen named Laura A. Guizado, arrived on a flight from Lima, Peru and was referred for a secondary inspection. In her baggage, officers found "a white powdery substance concealed in purses, jackets and llama skins," according to Customs, adding that the substance tested positive for cocaine, weighing 14.44 pounds with a street value of about \$450,000.

Guizado, of Harrisburg, Pa., was taken into custody in the Clayton County jail, charged with trafficking cocaine and violating the Georgia controlled substance act.

CBP Seizes More Than \$7.8 Million In Hard Narcotics Near Border

By Dawn Brooks

[KSAT-TV San Antonio](#), April 19, 2016

LAREDO, Texas – U.S. Customs and Border Protection officers seized hard narcotics with an estimated value of more than \$7.8 million in four separate recent busts near the Laredo Port of Entry.

CBP said the first two busts took place on April 11.

Officers at the Colombia-Solidarity Bridge referred a 36-year-old Mexican citizen driving a 2013 Dodge Attitude for further inspection. During an examination of the vehicle, officers said they discovered 55 bundles containing heroin and cocaine. The drugs carried a street value of \$1.1 million.

In the second bust, a 20-year-old Mexican citizen was driving a 1994 Ford Bronco that was referred for a secondary inspection. CBP said during that inspection, officers seized more than 143 pounds of crystal methamphetamine with a value of \$2.87 million.

The second two busts on April 12 produced drugs valued at \$3.86 million, officials said.

CBP officials said a 2006 Nissan Altima driven by a 36-year-old female Mexican citizen was found at the Gateway to the Americas Bridge. They said 74 pounds of methamphetamine were hidden in the vehicle.

At the same location, a 2007 Ford F-150 driven by a 38-year-old male Mexican citizen was found to have 118 pounds of liquid methamphetamine hidden inside, officials said.

"These multiple seizures totaling nearly \$8 million in hard narcotics truly exemplify our CBP officers' hard work, experience and dedication to the CBP mission," said Laredo Port of Entry Port Director Gregory Alvarez.

CBP officials said the vehicles and narcotics were seized. The drivers were arrested and the cases were turned over to U.S. Immigration and Customs Enforcement-Homeland Security Investigation special agents.

Shot Fired As Border Patrol Arrests Pot Smugglers

By Dylan Smith

[Tucson \(AZ\) Sentinel](#), April 20, 2016

A Border Patrol agent fired his weapon as agents attempted to apprehend a group of suspected marijuana smugglers and were assaulted with rocks Tuesday afternoon on the Tohono O'odham Nation west of Tucson, authorities said.

No injuries were reported, although few details were released.

Agents from the BP station in Casa Grande were tracking a group of suspected smugglers near the village of Cowlic, southwest of Sells and about 75 miles from Tucson, a statement from U.S. Customs and Border Protection said.

Around 4:15 p.m., the agents approached the group, and were "assaulted with rocks," the statement said.

"Initial reports indicated that one agent discharged his firearm at an assailant," the statement said. "The assailant and one other suspect are in custody and multiple bundles of marijuana were seized."

Neither the suspects nor the agents involved were identified by CBP. Officials did not indicate how many shots were fired.

Because at least one shot was fired, the incident is being investigated by the FBI, Customs and Border Protection's Office of Professional Responsibility and Tohono O'odham Nation Police Department, official said.

Border Patrol Agent In West Texas Dies In Traffic Accident

[Associated Press](#), April 19, 2016

FORT HANCOCK, Texas (AP) — A U.S. Border Patrol agent in West Texas has died after his agency vehicle hit an 18-wheeler while driving home to El Paso following his shift.

Officials say canine handler Agent Jose Daniel Barraza of El Paso died in the wreck Monday morning on Interstate 10 near Fort Hancock. Authorities say his law enforcement dog, named Vino, was in the pickup truck but was not injured.

Authorities say the 29-year-old Barraza, who worked at the Sierra Blanca checkpoint, crashed his truck into the back of a tractor-trailer rig. The big rig driver was not hurt.

The Texas Department of Public Safety says conditions were clear and dry at the time of the accident.

Barraza joined the Border Patrol in August 2008.

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TRANSPORTATION SECURITY **ADMINISTRATION**

TSA's Screening Safeguards In Place

[Pittsburgh Tribune-Review](#), April 20, 2016

The editorial "More TSA insecurity: A gaping hole" uses flawed information to draw its conclusion about the screening of airport employees. Every airport has an Airport Security Program, overseen by the TSA, which, along with perimeter security and other security requirements, includes the screening of airport employees. Those employees with a need to access secure areas are screened using a system that includes FBI background checks, continuous watch list vetting, inspections and random screenings. In fact, in 2015 the Aviation Security Advisory Council — which is composed of representatives from law enforcement, airport authorities and the aviation industry — concluded that 100 percent physical employee screening would not eliminate potential

risks but would instead divert valuable resources from critical security functions.

The assertion that there were airport employees who were known or suspected terrorists is patently false. TSA Administrator Peter Neffenger testified to this information before Congress on November 15, 2015. Transportation security remains our number one priority and we will continue to work with airport and airline stakeholders to ensure the safety of the traveling public.

Michael McCarthy
Washington, D.C.

The writer is a Transportation Security Administration spokesperson.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Six Dead As Houston Floods Threaten Area; Schools, Exxon Campus Close

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Houston Floods Continue; At Least 5 People Reported Dead

By Camila Domonoske

[NPR](#), April 19, 2016

Submerged subdivisions, impassable roads, overflowing creeks: For the second day in a row, Houston has been struggling to cope with disastrous flooding.

Nearly 18 inches of rain has fallen on parts of Houston and surrounding areas in the past two days, according to the Harris County Flood Warning System. The resulting floodwaters have reportedly led to the deaths of five people.

The city's schools and city buildings, as well as many private-sector offices, are closed because of perilous road conditions. And the National Weather Service says more rain — and more flooding — is on the way.

"Without a gap to dry out between Monday's 17 inches in rainfall and upcoming showers, the lighter storms still run a risk of localized flooding," Ed Mayberry of Houston Public Media reports. "Scores of subdivisions flooded, and power was knocked out to thousands of residents who were urged to shelter in place in this nearly sea-level city."

Other residents couldn't safely stay in their flooded homes; at least five shelters have been set up across the city. The Associated Press reports that more than 1,000 people were taken from apartments in the northern part of Houston and moved to a shopping mall; they're being ferried by buses to shelters, the wire service says.

Major interstates are submerged, including I-10, the AP writes. Mayberry also notes that a retaining wall near Highway 290 has collapsed. And flights through Houston were grounded for much of Monday.

As early as Monday morning, the National Weather Service was already calling the rain event "historic": More than a foot of rain fell in 12 hours.

And by Monday afternoon, the Houston Press reports, some areas of the city had seen more rain than ever before. Meteorologist Jeff Lindner told the Houston Press that one region didn't just hit the "500-year" mark for water levels — it beat it, by 2 inches.

The Press continues:

"An average of 7.75 inches drenched the county overall, Linder said, meaning that some 240 billion gallons of water fell across the region — enough to surge through Niagara Falls for 88 consecutive hours."

There have been more than 1,200 high-water rescues, the Press says.

The National Weather Service is reminding people not to attempt to drive through floodwaters, which often are much deeper than they appear.

Several of the five reported flood-related deaths involved vehicles in high water.

The images on television and social media are dramatic.

On live TV, audiences watched as a man drove into deep floodwaters and yelled out from his window, apparently confused, "What do I do?" A flabbergasted TV reporter shouted that the man needed to leave the car and then waded in to help him out.

Photos and videos on Twitter showed rescuers working to help horses trapped in floodwaters.

A Houston Chronicle photographer captured a man saving an armadillo from high waters. (A second photo showed the armadillo standing, apparently unharmed by the ordeal.)

Houston Mayor Sylvester Turner called the weather system "stubborn," the AP reports. He expressed special sympathy for those whose homes flooded last May after a devastating storm.

"I regret anyone whose home is flooded again," Turner said, according to the wire service. "There's nothing I can say that's going to ease your frustration. We certainly can't control the weather."

Houston Copes With Deadly, Historic Flooding

By Doyle Rice

[USA Today](#), April 19, 2016

The Houston area continued to recover Tuesday after historic flooding swept across Southeast Texas, leaving at least seven people dead and at least 1,000 homes swamped.

All of the deaths were drownings caused when people drove cars into flooded roads.

Rivers and creeks continued to rise across the region Tuesday, forcing a fresh round of evacuations, Weather.com reported. At least four of the area's school districts canceled classes because of concerns about flooded roads and power outages.

Tuesday's rain was not as widespread as previously forecast, according to KHOU-TV meteorologist Chita Johnson. Flooding is still a concern because of water moving downstream to already swollen bayous.

The National Weather Service issued a flash flood watch for the area through Wednesday evening, though occasional heavy rain could still pelt the region through Thursday.

Officials say about 200 people were rescued from the Chasewood Common Apartments along Cypresswood Drive. Some residents said the water went up to their necks. Only a few people could be rescued at a time.

As of Tuesday morning, Cypress Creek in Cypress, Texas, crested at a near-record 127.5 feet, which is 5.5 feet above flood stage, the weather service reported. The last time the creek crested that high was in October 1994.

Many residents remained without power Tuesday. As of 1 p.m. CT, CenterPoint Energy reported there were 6,500 customers without electricity, mostly on the northwest side. That is down from the peak of about 123,000 who were without power early Tuesday.

The flood is a 1-in-200 year event, according to NOAA and the University of Oklahoma. That means there is a 0.5% chance of such an event occurring in any given year.

Over the past three days, roughly 8.8 trillion gallons of water fell on the state of Texas, according to Weather Bell meteorologist Ryan Maue. That's enough to fill more than 104,000 Rose Bowls with water.

Rainstorms last year over Memorial Day weekend caused major flooding that required authorities to rescue 20 people, most of them drivers, from high water, the Associated Press said. Drivers abandoned at least 2,500 vehicles, and more than 1,000 homes were damaged in the rain.

The year before, flash flooding in Houston and suburban counties left cars trapped on major highways.

Those storms still pale in comparison to the devastation wreaked by Hurricane Ike in 2008 and Tropical Storm Allison in 2001, according to the AP. Allison left behind \$5 billion in damages and flooded parts of downtown and the Texas Medical Center, which sits near the Brays Bayou, a key watershed.

Allison remains the USA's costliest tropical storm ever recorded.

Contributing: KHOU-TV, Houston

Houston Flooding Kills At Least Six

By Dan Frosch

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

FEMA Adds 26 Counties To Disaster Declaration

[Hattiesburg \(MS\) American](#), April 19, 2016

PEARL – Gov. Phil Bryant's request for 26 counties to become eligible for all categories of public assistance was approved by FEMA today. Public assistance provides reimbursement to state, tribal and local governments, as well as certain non-profit organizations for things like debris removal and repair of damaged infrastructure. Previously 16 counties were approved for Individual assistance grants to residents for recovery from severe storms and flooding that began March 9.

The counties granted all categories of the public assistance program are Bolivar, Claiborne, Clarke, Coahoma, Covington, Forrest, Greene, Holmes, Jefferson Davis, Jones, Lamar, Leake, Leflore, Lincoln, Marion, Panola, Pearl River, Perry, Quitman, Sunflower, Tallahatchie, Tate, Tunica, Walthall, Washington and Wayne.

The public assistance categories include Category A: Debris Removal; Category B: Emergency Protective Measures; Category C: Roads and Bridges; Category D: Water Control Facilities; Category E: Buildings and Equipment; Category F: Utilities; Category G: Parks, Recreational Facilities and Other Items.

The Public Assistance Grant Program through FEMA is a reimbursement grant program paid to state, tribal and local governments, and certain non-profit groups. Typically, the federal share is 75 percent, and the remaining 25 percent is shared between the state and local governments at a rate of 12.5 percent respectively. Eligible non-profit groups are responsible for the full 25 percent.

Residents in the 16 disaster designated counties for individual assistance can register online at www.disasterassistance.gov or by calling (800) 621-FEMA (3362). The hearing and speech impaired can call (800) 462-7585 (TTY).

For more information about recovery efforts, visit MEMA's website at www.msema.org.

26 Mississippi Counties Added To Disaster Declaration

By Donesha Aldridge

[WJTV-TV Jackson \(MS\)](#), April 19, 2016

JACKSON, Miss. (WJTV) — Twenty-six more counties have been added to the disaster declaration from the March severe floods.

Gov. Phil Bryant's request for those counties to become eligible for all categories of public assistance was approved Tuesday.

Public Assistance provides reimbursement to state, tribal and local governments, as well as certain non-profit organizations for things like debris removal and repair of damaged infrastructure. Previously 16 counties were approved for Individual Assistance grants to residents for recovery from severe storms and flooding that began March 9.

The counties granted all categories of the Public Assistance program are: Bolivar, Claiborne, Clarke, Coahoma, Covington, Forrest, Greene, Holmes, Jefferson Davis, Jones, Lamar, Leake, Leflore, Lincoln, Marion, Panola, Pearl River, Perry, Quitman, Sunflower, Tallahatchie, Tate, Tunica, Walthall, Washington and Wayne.

Residents in the 16 disaster designated counties for Individual Assistance can register online at www.disasterassistance.gov or by calling 1-800-621-FEMA (3362). The hearing and speech impaired can call 1-800-462-7585 (TTY).

US CITIZENSHIP AND IMMIGRATION SERVICES

Massive Fraud Claims Reverberate In Remote Area Of Vermont

By Lisa Rathke

[Associated Press](#), April 20, 2016

NEWPORT, Vt. (AP) – Sweeping development plans for a remote area of northern Vermont – a biomedical research plant, a hotel and conference center, an airport runway extension, and big upgrades at two ski areas – brought the promise of jobs to a region that has some of the highest unemployment rates in the state.

But new allegations that two businessmen behind the plans misused more than \$200 million of about \$400 million raised from foreign investors “in Ponzi-like fashion” has brought some of the development to a halt and left state officials, who enthusiastically promoted the projects, feeling betrayed.

“It’s a dark day for Vermont,” Gov. Peter Shumlin said in announcing the fraud allegations last week.

Last week, the federal Securities and Exchange Commission and the state accused Ariel Quiros, of Miami, the owner of Jay Peak ski resort, and Bill Stenger, of Newport, the resort’s president, of a “massive eight-year fraudulent scheme” dating to 2008 and the purchase of the resort. The court filings allege the pair misused money raised through the EB-5 visa program, which encourages foreigners to invest in

U.S. projects that create jobs in exchange for a chance to earn permanent U.S. residency.

“Quiros orchestrated and Stenger facilitated an intricate web of transfers ... to disguise the fact that the majority of the seven projects were either over budget or experiencing shortfalls,” the SEC said in its complaint. “These shortfalls were due in large part to Quiros pilfering tens of millions of dollars of investor money for his own use,” including to buy Jay Peak and Burke Mountain ski resorts and a Trump Place luxury condo in New York, and to pay income taxes.

The investors have not been identified and are not accused of wrongdoing. The allegations against Stenger and Quiros are in the form of civil lawsuits at this point, but an investigation continues and criminal charges are possible, Attorney General William Sorrell said.

Stenger and Quiros did not return phone calls seeking comment. Stenger told the Burlington Free Press that he was unaware of the fraud case early last week.

“There was a lot of stuff in the presentation that I got on Wednesday that I was not aware of,” Stenger told the newspaper. “I can’t go any further than that. I’ve got to let it go at that. I’m trying to figure this out as well. I just need to deal with it.”

The governor acknowledged that the biotech facility, planned for Newport with the promise of 450 jobs, and the proposed Renaissance Block, with office, retail and hotel space, were unlikely to happen. Much of the development planned at the resorts has already been built, and the Caledonian Record newspaper reported that most work on the runway at Northeast Kingdom International Airport was done last year.

A commercial block in Newport, at about 4,500 residents the most populous community in Orleans County, has already been demolished to make way for the Renaissance project. Lincoln Brooks, co-owner of Newport Jewelers, across the street from what is now an empty block of rubble and cellar holes, said his wife calls it “little Beirut.”

“It’s devastating. I mean it’s going to hurt us for a while. It’s going to hurt Newport, Main Street bad,” said Brooks, who said he knows Stenger very well and believes he has been exploited.

Next door, Steve Breault, owner of the Newport Natural Market and Cafe, said some of the development didn’t make sense for such a small city near the Canadian border.

“You would think a bio company would want to be near other technology companies where there’s a bigger pool for talent,” he said.

A federal receiver has been appointed to oversee the Jay Peak and Q Burke resorts, and the SEC has frozen some of Quiros’ personal assets. Leisure Hotels and Resorts, a Kansas-based resort management company, is running day-to-day operations at Jay Peak and Q Burke while the investigation continues.

"Obviously this was quite a bombshell to all the staff here," said Jessica Sechler, marketing manager for Q Burke, where a new hotel and conference center was expected to open in December but hasn't yet.

Susan Schurger, a cashier in the cafeteria at Jay Peak, said she's not worried.

"I believe in Jay. The people are the same. The mountain's the same. It's obviously a big bump in the road, but I'm sure that it's going to be resolved," she said. "I know it's causing a lot of panic but people need to remember to breathe and you know none of us are going to be making any of these decisions anyway, let's wait and see."

The case is one of several around the country in which the EB-5 program was allegedly used to defraud hundreds of investors out of tens of millions of dollars.

Vermont officials have long backed the EB-5 projects, with Shumlin, a Democrat, and, before him, Republican Gov. Jim Douglas traveling to Asia to promote them. Quiros and Stenger also have contributed thousands of campaign dollars to Vermont politicians in recent years, according to the Burlington Free Press.

"The dream that we could finally create hundreds and hundreds of jobs in a part of the state that has been struggling for jobs is something any reasonable person would look to pursue," Shumlin said last week.

Shumlin said he changed the structure of the state's regional EB-5 office so that it would have more oversight, which helped investigate the allegations.

"I think it's a testament to the fact that campaign contributions don't make a difference," he said.

Shumlin noted that Vermont has benefited from the some of the projects already completed.

"Jay Peak is a booming business right now, with a water park, with an improved mountain, an improved golf course, improved accommodations," he said. "That's not an asset that's just going to dry up and go away."

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IMMIGRATION

Bill To Reinforce Federal Immigration Laws Dies

[Associated Press](#), April 19, 2016

JACKSON, Miss. (AP) – A bill reinforcing that local law enforcement officials must follow federal immigration laws has died.

Senate Bill 2306 was killed when a joint House-Senate committee did not negotiate and file a final version before Monday night's deadline.

The bill would have required officers to alert federal agencies when they think someone convicted of violating state or local laws is in the country illegally. It would have authorized them to make arrests if they have probable cause and transfer detainees to federal custody.

Sean Tindell, a Gulfport Republican, authored the bill. He has said the bill was meant to prevent any city in Mississippi from protecting people who may be in the country illegally from federal agencies. He said the bill also required officers don't violate civil rights.

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Congressional Paralysis Endangers Immigrant Families

[Detroit Free Press](#), April 19, 2016

A truncated U.S. Supreme Court will decide sometime between now and the end of June whether to uphold President Barack Obama's executive order allowing unauthorized immigrants who are the parents of U.S. citizens to avoid deportation and apply for work permits.

The program, announced in November 2014, is known as the Deferred Action for Parents of Americans and Lawful Permanent Residents, or DAPA, and its fate in the nation's highest court will determine whether millions of immigrant families are permitted to remain intact.

The court's decision in U.S. v. Texas will also highlight the policy chasm between Democrats, whose would-be presidential nominees support DAPA, and Republican rivals Donald Trump and Sen. Ted Cruz, who oppose Obama's order and have called for mass deportations from which no one without lawful immigration status would be spared.

On its face, U.S. v. Texas is a test of the president's discretion to set priorities for immigration enforcement. The White House argues that Obama's DAPA order is essentially similar to others in which his predecessors in both parties have temporarily shielded other classes of undocumented workers from deportation.

Texas and 25 other states argue that the scope of DAPA, which would make work permits available to as many as 4 million parents, places it outside the limits of the authority Congress has delegated to the executive branch. But during oral arguments Monday, Justice Sonia Sotomayor noted that a similar executive order issued by President George Bush had actually shielded a larger percentage of the undocumented immigrant population, even though its numbers were smaller during Bush's tenure.

More than anything, Monday's oral arguments highlight the unsustainable chaos into which more than a decade of congressional inaction has plunged U.S. immigration policy. In issuing his order two years ago, Obama noted that it had

become necessary only because the U.S. House refused to take up a Senate-passed bill that would have provided an orderly path to citizenship for most of those shielded by the DAPA program.

As a practical matter, the federal government lacks the means to deport all of the estimated 11 million immigrants residing in the U.S. without legal status or work permits. Obama's executive order is an effort to rationalize enforcement priorities immigration functionaries would otherwise be forced to make up as they go along in the absence of clear legislative direction.

Tragically, the same Congressional dereliction that created this crisis may also serve to delay its resolution. The Republican-led Senate's refusal to take up the nomination of Merrick Garland, Obama's choice to succeed the late Justice Antonin Scalia, greatly increases the likelihood that the eight incumbent justices will deadlock on the constitutionality of DAPA. That would temporarily kill the program while all but assuring that the legal controversy will be replayed, in a year or two, before a fully staffed Supreme Court.

So long as Congress dithers, millions of American children – most citizens, others legally entitled to be here – will continue to live in perpetual terror of abrupt separation from their parents. What a cruel legacy for a Republican congressional majority that purports to value the rule of law and the sanctity of family bonds.

SECRET SERVICE

DC Police Arrest Man In Slaying Of Secret Service Officer

[Associated Press](#), April 19, 2016

WASHINGTON (AP) — District of Columbia police say a man has been charged in the fatal shooting of an off-duty Secret Service officer.

Police said in a news release Tuesday that 29-year-old Charles Sims was arrested Monday night and charged with first-degree murder in the slaying of 30-year-old Arthur Baldwin. Police did not disclose a motive, but investigators said at the time that Baldwin may have been the victim of a robbery or robbery attempt. He died on Dec. 15 after being shot several times.

Baldwin was a uniformed officer with the Foreign Missions Branch of the Secret Service. He had been suspended from duty in April 2015 after he was charged with trying to break into his girlfriend's house while armed.

Sims' attorney did not immediately return a message on Tuesday.

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NATIONAL PROTECTION AND PROGRAMS

Federal Building In Laguna Niguel Evacuated After Suspicious Package Arrives In Mail Room

By Alyssa Duranty

[Orange County \(CA\) Register](#), April 19, 2016

LAGUNA NIGUEL – The IRS building was evacuated Tuesday morning after a suspicious package arrived in the mail room, officials said.

Someone reported the package to sheriff's deputies around 10:35 a.m. inside the Chet Holifield Federal Building, which houses IRS and Department of Homeland Security offices as well as a U.S. Citizenship and Immigration Services center.

The Sheriff's Department's bomb squad team arrived around 11:55 a.m. to investigate, Lt. John Roche said.

"The whole building is being evacuated," Roche said.

Orange County Fire Authority officials also responded, Capt. Larry Kurtz said.

Streets surrounding the building were not closed during the incident.

OFFICE OF HEALTH AFFAIRS

Cuts Could Leave United States Unprepared For Disease Outbreak, Report Warns

By Carina Storrs

[CNN](#), April 19, 2016

(CNN)The world was pretty far from having a vaccine for Ebola when the virus ravaged West Africa in 2014 and 2015. But it might have been a little closer if the United States had not cut funding for research on a promising new Ebola vaccine in 2012, according to a report by the Global Health Technologies Coalition.

These types of missed opportunities are the reason the coalition, which is made up of 27 nonprofit groups, issues a report every year with recommendations for how much funding Congress should give to agencies involved in health research, such as the National Institutes of Health and the Food and Drug Administration.

The coalition also advises these agencies on working together and with groups in other countries to speed the development of vaccines, drugs and other tools for fighting diseases.

"Congress funds the government on a year-to-year basis, so every year we have to come back to the drawing board," said Erin Will Morton, director of the Global Health Technologies Coalition and one of the authors of the report.

This year's report found that, although there was an uptick in U.S. investment in research and development between 2013 and 2014, all of the additional money went to Ebola. Funding for other neglected diseases, including HIV, malaria and tuberculosis, decreased – continuing a downward trend that began in 2009.

In 2014, the United States invested about \$1.425 billion in R&D for neglected diseases other than Ebola, down from about \$1.475 in 2013 and \$1.65 billion in 2009. (Figures are adjusted for inflation.)

According to the report, an increase in investment would be money well spent. Research suggests that it would cost the global economy \$4.5 billion in regular annual spending to protect against disease outbreaks, but the emergency response to pandemics is much costlier, at more than \$60 billion a year. A 2012 report by the coalition found that for every \$1 the government invests in the National Institutes of Health, it gets a return of more than \$2 in goods and services in addition to the creation of new jobs.

Although the report stated that the cuts to Ebola funding in 2012 is a “stark example” of how failure to invest can backfire, the lesson seems to have been missed. The White House recently announced it would redirect money that had been designated for Ebola to fight the Zika virus because Congress has been unwilling to approve emergency funding for Zika. “Unfortunately that [Ebola] money is not ‘leftover,’ as we are not in the clear with Ebola,” Morton said.

The American public might be more aware of the need to invest in R&D because of the recent headline-grabbing outbreaks of Ebola and Zika, “but we have to not forget about these existing threats that we have been working on for so long,” Morton said. In 2014, 1.4 million people contracted HIV in sub-Saharan Africa, and myriad efforts, including improving access to treatments and prevention strategies, will be needed to stem the HIV/AIDS epidemic, the report noted. And while deaths due to malaria and tuberculosis have decreased substantially in recent decades, it will take investment in vaccine development and improved treatments to end these scourges.

The report pointed to earlier research that estimated doubling the global annual investment in health R&D from \$3 billion to \$6 billion by 2020 would make it possible to achieve the United Nations Sustainable Development Goals for improved health, including controlling infectious disease and reducing death rates among mothers and children.

In the United States, specifically, the report recommended that Congress appropriate between \$3 million and \$34 million to various health agencies in the 2017 budget. The report also urged Congress to explore ways to increase funding from the private and philanthropic sectors, such as by asking for matching contributions and offering tax credits to private groups.

“Doubling the investment in global health R&D [to \$6 billion] seems like a huge step... but consider the budget of the Department of Homeland Security,” which was about \$60 billion in 2014, said Mary Woolley, president and CEO of Research!America, a nonprofit alliance that advocates for health research in the United States. Woolley and Research!America were not involved in the current report.

“When you think about keeping your country secure, you need to think about keeping the health of the people who live here secure,” Woolley said. And medical advances that happen in the United States can help people all over the world, she added.

After increasing its investment in R&D for neglected diseases steadily each year from 2004 to 2009, U.S. funding has been waning since 2009, with the exception of a peak in 2012. The decline tracks with the global recession and the housing collapse, and will hopefully reverse now that the economy has recovered, Woolley said. However, global funding should not be at the whim of economic trends, and needs to increase steadily every year, she said.

“(This research) can be cost effective if it is well targeted,” said Dr. Patrick Kachur, principal deputy director of the Centers for Disease Control and Prevention’s Center for Global Health. “We have some (evidence) at CDC that investments in R&D around disease models helped us estimate the projected number of Ebola cases in West Africa and helped us plan the response to curtail that epidemic.”

But in addition to a sustained program of R&D, there will also be times when emergency funding is needed “to take those last steps of the R&D cycle toward a usable product,” Kachur said.

One of the goals set by the new report is for the seven government agencies involved in global health R&D, including the CDC, to work together more efficiently. The report asked Congress to define the roles of the various agencies as they collaborate with each other. There are some success stories to look to, such as when the CDC, FDA and the U.S. Department of Defense came together during the Ebola outbreak to develop personal protective equipment and expedite drug approvals by the FDA, Morton said.

Despite the state of R&D funding for global health issues, there has been a surge in the number of drugs for neglected disease that are in the pipeline, from 215 in 2004 to almost 500 in 2015. However, some of these drugs might have been developed before funding stagnated in 2009, Morton said.

The coalition’s next report on the return on investment of global health funding is expected in 2017.

“We are very interested to look at... what kind of an effect the stagnation had,” Morton said.

TERRORISM INVESTIGATIONS

Court Troubled By Surveillance Excesses At FBI, NSA

By Josh Gerstein

[Politico](#), April 19, 2016

In a just-released court opinion, a federal court judge overseeing government surveillance programs said he was “extremely concerned” about a series of incidents in which the Federal Bureau of Investigation and National Security Agency deviated from court-approved limits on their snooping activities.

Foreign Intelligence Surveillance Court Judge Thomas Hogan sharply criticized the two agencies over the episodes, referred to by intelligence gatherers as “compliance incidents.” He also raised concerns that the government had taken years to bring the NSA-related issues to the court’s attention and he said that delay might have run afoul of the government’s duty of candor to the court.

“The court was extremely concerned about NSA’s failure to comply with its minimization procedures—and potentially” a provision in federal law, Hogan wrote. The NSA violations appeared to involve preserving surveillance data in its systems beyond the two or five years after which it was supposed to be deleted.

“Perhaps more disappointing than the NSA’s failure to purge this information for more than four years, was the Government’s failure to convey to the Court explicitly during that time that the NSA was continuing to retain this information,” the judge wrote in the Nov. 6, 2015, opinion made public Tuesday.

In a statement, the Office of Director of National Intelligence said officials did not mean to be misleading. “The Government has informed the Court that there was no intent to leave the FISC with a misimpression or misunderstanding, and it has acknowledged that its prior representations could have been clearer,” the statement posted on ODNI’s Tumblr site said.

The NSA said in some cases it needed the data to prevent future incidents where data was accidentally collected without legal authority, like when a surveillance target enters the U.S. (At that point, officials are supposed to seek a more specific court order to continue the surveillance.) However, that wasn’t the case with all of the old data NSA was hanging onto.

The FBI’s troubles involved failing to use the required procedures when conducting surveillance of suspects overseas who are facing criminal charges in U.S. courts. In order to preserve attorney-client privilege, the FBI is supposed to have such surveillance reviewed by a “taint team” that can excise any legal communications, but that was not happening in all cases, the FBI reported.

Hogan said the FBI revealed some such incidents in 2014, but the number was redacted from the opinion made public Tuesday. “The government generally attributed those instances to individual failures or confusion, rather than a ‘systematic issue,’ “ Hogan wrote. However, more incidents occurred from mid-2014 and through 2015, although again the precise number was not released. In some instances, FBI agents believed, incorrectly, that they didn’t need to set up a review team if the indictment was under seal or outside the U.S.

“The Court was extremely concerned about these additional incidents of non-compliance,” wrote Hogan, who also serves as a federal district court judge in Washington. He was appointed by President Ronald Reagan.

At a closed hearing last October, the FBI detailed some procedures set up to remedy the problem, including additional training and a system to remind agents when such reviews are needed. Hogan said he was “satisfied” that the FBI was “taking appropriate measures” to address the issue. However, he said he “strongly encourages” the government to find any other such mistakes and he said he wanted a briefing on those efforts earlier this year.

The FBI declined to comment, and spokespeople for the NSA did not immediately respond to a request for comment on the court ruling.

U.S. Spy Court Judge Dismissed Privacy Advocate’s Concerns About Data Use

By Del Quentin Wilber, Contact Reporter

[Los Angeles Times](#), April 19, 2016

An independent lawyer assigned to represent Americans’ privacy interests before the nation’s top-secret spy court failed to convince a judge to block FBI agents from searching intelligence databases to hunt for evidence of traditional crimes rather than restricting them to national security probes, according to a newly declassified court opinion.

The ruling released Tuesday provides one of the first glimpses into how a 2015 bipartisan law aiming at reining in government intelligence-gathering is being implemented at the Foreign Intelligence Surveillance Court, which oversees requests for surveillance warrants from law enforcement agencies involving suspects inside the U.S.

In the aftermath of domestic surveillance programs exposed by former National Security Agency contractor Edward Snowden, Congress last year passed the USA Freedom Act, which allowed certain information-gathering practices to continue, but created a privacy advocate to represent the public interest.

The newly released documents also reveal that the FBI is storing encrypted communications it has obtained in

intelligence investigations until they can be decrypted and analyzed by specialists.

The Nov. 6 opinion by Thomas F. Hogan, the chief judge of the FISA court, reauthorized a long-standing government spying effort known as the "702 program," which targets electronic communications of those believed to be foreigners living abroad.

Hogan ruled that the nation's spy agencies and the FBI were following proper procedures in how they selected targets for surveillance, gathered intelligence data and later mined it.

The communications data collected under Section 702 of the Foreign Intelligence Surveillance Act ranges from phone numbers and email addresses to the content of calls and messages in the possession of U.S. telecommunications and Internet companies.

FISA judges have approved the spying effort each time it has been submitted for review since 2008. But Hogan's 80-page opinion was the first to rely on advice from an outside privacy advocate, known as an amicus curiae, to help him determine the legality of the initiative.

The advocate was Washington, D.C., attorney Amy Jeffress, a former top national security prosecutor at the Justice Department who now specializes in national security and white-collar defense.

Giving judges the ability to tap such a lawyer for advice was a key element of the 2015 reform measure to address criticism that only the government's position was being heard in the ultra-secretive court.

It is only the second publicly disclosed instance in which the court has used an outside lawyer to examine an aspect of the government's spying programs.

Last September, the court asked attorney Preston Burton to examine whether the government could retain bulk telephone metadata that it had been told to destroy. Investigators wanted to keep the data for an extra few months so it could ensure the accuracy of information it would attain under the more targeted procedures enacted last year by Congress. Burton agreed that it was permissible to do so.

In August, Hogan asked Jeffress to address whether the spy agencies and FBI were setting proper boundaries in how they gathered intelligence, as well as how they retained and searched the data, according to the judge's redacted opinion.

Jeffress generally agreed that the spy agencies and FBI were following proper procedures in targeting those they believed to be non-U.S. citizens living abroad.

However, she raised concerns about how the FBI queries the sensitive data in its hunt for those who may have committed crimes unrelated to national security matters. She felt the FBI was restricted by law from conducting such searches.

The FBI's procedures "go far beyond the purpose for which the Section 702-acquired information is collected in permitting queries that are unrelated to national security," Jeffress argued, according to the judge's opinion.

Hogan disagreed, however, writing that the law clearly permitted FBI agents to search databases for such purposes. He added that such searches rarely generate a link to criminal activity.

"The risks that the results of such a query will be viewed or otherwise used in connection with an investigation that is unrelated to national security appears to be remote, if not entirely theoretical," Hogan wrote. "The court is not prepared to find a constitutional deficiency based upon a hypothetical problem."

Even so, the judge ordered the government to report "any instance in which FBI personnel receive and review" intelligence information that the "FBI identifies as concerning a United States person in response to a query that is not designed to find and extract foreign intelligence information."

Hogan's opinion also disclosed that the FBI is grappling with breaking into encrypted communications, an issue that was brought to light recently when the government persuaded a federal judge to order Apple to unlock an iPhone used by one of the terrorists in the San Bernardino attacks.

The FBI ultimately dropped the case when it was approached by an unidentified third-party that was able to bypass Apple's security on the phone, allowing the bureau to download its contents. A law enforcement official, speaking on condition of anonymity, said nothing of significance was found on the device.

In the opinion, Hogan noted that the FBI has been storing encrypted communications until government analysts can find a way to access and read them. Once the information is decrypted, Hogan wrote, the data will then become subject to the government's retention and deletion timetables.

Law enforcement officials say they need tech companies' help to access encrypted devices and messages to investigate crimes and stop potential terrorist attacks. Privacy advocates and technology firms say creating backdoors into products would expose customers' data to hackers and foreign governments.

Judge Rejects Challenge To Searches Of Emails Gathered Without Warrant

By Charlie Savage

[New York Times](#), April 19, 2016

WASHINGTON — A federal judge has rejected a legal challenge to rules permitting F.B.I. agents, when working on domestic criminal cases, to search emails written by Americans that the government has intercepted without a warrant in the name of gathering foreign intelligence.

In an 80-page opinion that was issued in November and remained classified until being made public on Tuesday, Judge Thomas F. Hogan, the chief judge of the Foreign Intelligence Surveillance Court, ruled that what critics call “backdoor searches” of messages by the F.B.I. comply with both the Constitution and the FISA Amendments Act. That 2008 statute legalized a form of the government’s once-secret warrantless surveillance program.

Under the program, which the Bush administration started in 2001 to hunt for terrorists, the government may collect, on domestic soil and without a warrant, international emails and phone calls of noncitizens abroad, even when they communicate with Americans.

Judge Hogan’s ruling is notable because some lawmakers want to require government agencies to get a warrant before searching the raw repository of emails for an American’s name or email address. Bipartisan majorities in the House have twice passed such a proposal in the last two years, and it is expected to be a central feature of a fight over legislation to renew the FISA Amendments Act, which is set to expire at the end of 2017.

The ruling was also the first time that the intelligence court has reviewed the surveillance program with contributions from an outside “friend of the court,” rather than hearing arguments from the government alone. The U.S.A. Freedom Act, enacted by Congress in June, encouraged the appointment of such a person to raise civil liberties concerns in novel or significant cases.

To perform that role, Judge Hogan appointed Amy Jeffress, who was a national security aide to former Attorney General Eric H. Holder Jr. and is now a lawyer at the firm Arnold & Porter. She raised both statutory and constitutional concerns about F.B.I. searches for ordinary criminal cases.

She wrote that this practice went “far beyond the purpose” for which the emails had been gathered under the FISA Amendments Act, which Congress justified as meeting the government’s need to acquire “foreign intelligence information.”

Judge Hogan disagreed. He noted that Congress also included a provision in the main part of the FISA Amendments Act — sometimes called Section 702 — that permits the government to retain information from the warrantless surveillance program if it is “evidence of a crime.”

“It would be a strained reading” of the statute, he wrote, “to permit F.B.I. personnel to retain and disseminate Section 702 information constituting evidence of a crime implicating a United States person for law enforcement purposes, but to prohibit them from querying Section 702 data in a matter designed to identify such evidence.”

Ms. Jeffress also argued that F.B.I. queries intended to pull up private emails of Americans for ordinary criminal purposes “do not comply” with the Fourth Amendment, which bars unreasonable searches. She noted that agents are

permitted to routinely look for emails by Americans that were incidentally collected without a warrant, even when the agents have only vague suspicions about someone and lack sufficient evidence to get a wiretap warrant.

Judge Hogan disagreed with that argument as well. He cited several rationales for permitting such queries, including the idea that a search for criminal evidence might bring up information that also proved useful for national security purposes.

The judge wrote that the Justice Department had told him that F.B.I. queries intended to bring up messages that might be evidence of ordinary crimes “rarely, if ever” return useful information, so “the court is not prepared to find a constitutional deficiency based upon a hypothetical problem.”

However, he ordered the government to begin reporting to the court every time an F.B.I. agent working on an ordinary criminal matter searched the database for an American suspect’s private messages and ended up reading some of them.

Judge Hogan also approved several modifications to the rules for the program that the Privacy and Civil Liberties Oversight Board, an independent watchdog agency, had suggested after reviewing the program.

They include requiring officials who search for Americans’ emails for a national security purpose — including analysts at the National Security Agency and the Central Intelligence Agency — to document in writing why they believed they were likely to find information related to foreign intelligence. (Ms. Jeffress did not quarrel with permitting searches of Americans’ emails for that purpose.)

A separate part of the judge’s opinion, which was heavily redacted in places, scolded the N.S.A. and the F.B.I. for instances in which they violated court-imposed rules for the program. The violations appeared to involve a failure to purge cellphone calls collected without a warrant after a foreign target had “roamed” onto domestic soil, as well as a failure to set up special teams to review the communications of foreign targets who had been indicted, in order to screen out any information protected by attorney-client privilege.

But while Judge Hogan wrote that he was “surprised” and “extremely concerned” about the problems — which the government said it was fixing — he said they were not a reason for him to withhold approval of the program for another year.

In another previously classified opinion made public Tuesday, Judge Hogan, in a ruling issued late last year, approved the first querying of a newly created system for analyzing links between callers in search of hidden associates of a suspect in a national security case.

That new system, which was also established by the U.S.A. Freedom Act, searches bulk data held by the telephone companies. It replaced a once-secret program in

which the N.S.A. had systematically collected Americans' domestic calling records in bulk.

Senate's McConnell Still Looking At Saudi 9/11 Lawsuit Bill

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Lindsey Graham Blocks Saudi 9/11 Bill

By Julian Hatterm

[The Hill](#), April 19, 2016

Sen. Lindsey Graham has placed a hold on legislation that would open the door for victims of the Sept. 11, 2001, terror attacks to sue Saudi Arabia.

Graham (R-S.C.), who is a co-sponsor of the Justice Against Sponsors of Terrorism Act, put the hold on his own bill over concerns that new changes could expose the U.S. to legal attacks.

Edits made last week by Sen. Jeff Sessions (R-Ala.) might expand the scope, Graham told reporters on Tuesday, potentially putting the U.S. at risk of legal retaliation because of actions by individuals or unsavory allies.

"I want to make sure that anything we do doesn't come to bite us," Graham told reporters in the basement of the Senate.

"Anything we do in this bill can be used against us later. So let's say there's a situation where you've got an American in a consulate or an embassy that's got their own grudge against a government," he said. "We want to make sure that we're not liable for that."

The standoff between Graham and Sessions hints at the legal minefield that lawmakers need to navigate; the measure has gained new prominence amid President Obama's travel to Saudi Arabia this week.

Saudi officials have strongly opposed the bill, and threatened to sell off \$750 billion of U.S. assets should it go into place.

The White House has come out against the legislation, because of what it claims would be dangerous precedent that could erode the legal system of sovereign immunity.

"If we open up the possibility that individuals and the United States can routinely start suing other governments, then we are also opening up the United States to being continually sued by individuals in other countries," Obama said in an interview with CBS broadcast early Tuesday.

Speaker Paul Ryan (R-Wis.) expressed skepticism on Tuesday of the legislation, which is backed by Sens. Charles Schumer (D-N.Y.) and John Cornyn (R-Texas), who are both leaders in their Senate caucuses.

"I think we need to look at it," Ryan told reporters at a news conference. "I think we need to review it to make sure

we are not making mistakes with our allies and that we're not catching people in this that shouldn't be caught up in this."

Graham also raised the case of the People's Protection Units (YPG), the Syrian Kurdish forces that the U.S. has relied upon in the growing chaos of the Syrian civil war.

Despite being a critical tool of the U.S. in Syria, the YPG are allied with the Kurdistan Workers Party (PKK), a Kurdish nationalist group in Turkey considered terrorists by both Washington and Ankara.

"If they go out and commit a terrorist act somewhere else against Turkey, I don't want to be held liable because that's not what we were sponsoring," Graham said.

"Some of our allies are a bit dubious. I want to make sure that because we find common ground in one area, we don't own these people forever because of whatever they do."

The changes from Sessions have yet to be made public. An official with the Alabama Republican's office did not immediately respond to an inquiry about the edits.

"The change that was made by Sen. Sessions may be a good change. It may limit the application of the bill in a way that protects us down the road," Graham told reporters. "I really think I know what he's trying to do."

"But I've had a couple of questions that I hadn't gotten an answer to yet, and so we're working on it."

Senator Says He May Back Bill Exposing Saudis To 9/11 Lawsuits

By Mark Mazzetti And Jennifer Steinhauer

[New York Times](#), April 19, 2016

WASHINGTON — A bill opposed by the Obama administration that would expose Saudi Arabia to legal jeopardy for any role in the Sept. 11 attacks appeared to gain momentum on Tuesday when the senator holding it up said he would be open to supporting it.

Senator Lindsey Graham, Republican of South Carolina, said in an interview on Tuesday that he would drop his opposition to the bill — predicting it could pass the Senate next week — if the sponsors of the legislation agreed to changes that he believed were important to protect American interests abroad. He did not specify what changes he was requesting.

"The goal is to bring people to justice who have been involved in terrorism," Mr. Graham said. But he added, "I don't want Americans to be held liable because of one bad actor in some embassy somewhere."

Obama administration officials have been vigorously lobbying against the Sept. 11 bill, which has broad bipartisan support, arguing that Americans overseas could be put in legal jeopardy if other nations were to retaliate and strip them of immunity in foreign courts. But the measure is gaining support in Congress at a time when many lawmakers are demanding greater scrutiny of Washington's alliance with the

kingdom, which for decades has been a cornerstone of American foreign policy in the Middle East and once the subject of little examination on Capitol Hill.

"Very bluntly, they no longer have us in an energy straight jacket," said Senator Richard Blumenthal, Democrat of Connecticut, referring to growing domestic oil production that has made the United States less reliant on the Saudis. He added that the American government now knows more about Saudi Arabia's historical funding of extremist groups and that "Americans are also increasingly concerned about Saudi Arabia's human rights record."

President Obama arrives in Riyadh on Wednesday for meetings with King Salman and other top Saudi officials. It is not known whether the legislation will be discussed during those talks. The president has said he will veto the bill in its current form.

In an interview with CBS News on Monday, he said, "If we open up the possibility that individuals and the United States can routinely start suing other governments, then we are also opening up the United States to being continually sued by individuals in other countries."

In an unusual alliance, some Republicans, even those fiercely critical of the administration's policies in the Middle East, seemed to agree with the White House on the legislation. On Tuesday, Senator Mitch McConnell of Kentucky, the majority leader, declined to give his full support of the bill, saying he would need to study the measure more carefully.

"The pushback on that is coming from the Republicans," said Senator Harry Reid of Nevada, the minority leader.

But support from other Republicans and many Democrats seems to be giving the bill momentum.

"Certainly they have been a partner in many ways and that has been longstanding," said Senator Bob Corker, Republican of Tennessee and the chairman of the Senate Foreign Relations Committee. "On the other hand we understand that the whole Wahhabi effort emanated from there and that alone is an issue," he said, referring to the radical strain of Islam practiced in the kingdom.

But prospects for the bill are more uncertain in the House. In a news conference on Tuesday, Speaker Paul D. Ryan, who recently visited Saudi Arabia, said he would review the bill but needed to make sure "we're not making mistakes with our allies."

The Saudi government, which has long denied any involvement in the Sept. 11 attacks, has warned that it might liquidate hundreds of billions of dollars worth of American assets if the bill becomes law. Adel al-Jubeir, the Saudi foreign minister, told lawmakers and Obama administration officials during a visit to Washington last month that such a move could be necessary to avoid the assets being frozen in court cases brought by families of Sept. 11 victims.

Those cases, some of which have tried to hold members of the Saudi royal family and Saudi charities liable for what the plaintiffs allege was financial support for terrorism, have been largely stymied because of a 1976 law that gives foreign nations broad immunity from American lawsuits. The current legislation would amend the law, allowing for nations to be sued in American courts if they are found to have played any role in terrorist attacks that killed Americans on home soil.

There is little question that relations with Saudi Arabia have frayed in recent years, in part because of a perception in Riyadh that the Obama administration has abandoned its traditional allies in the Middle East. But some experts said that the irony of the growing anti-Saudi sentiment in Congress is that the Saudi government in recent years has scaled back its support for extremist groups in the Middle East.

Ilan Goldenberg, a fellow at the Center for New American Security and a former State Department official, said that in Syria in particular the Saudis have been more disciplined than other nations — most notably Qatar and Turkey — about giving arms to militant rebel groups like the Qaeda-linked Nusra Front.

Still, Mr. Goldenberg said, Wahhabism is a bedrock of Saudi society and the kingdom is never likely to abandon it.

"It's like trying to get Pakistan to change its position on India," he said. "No amount of American scrutiny is going to change that."

Emmarie Huetteman contributed reporting.

Reid: Senate Should Take Up Saudi 9/11 Bill

By Jordain Carney

[The Hill](#), April 19, 2016

Senate Minority Leader Harry Reid (D-Nev.) is bucking President Obama on legislation that would allow victims of the Sept. 11, 2001, terror attacks to sue Saudi Arabia.

"I think we should move forward on this legislation. I hope we can," Reid told reporters Tuesday during a weekly press conference.

His comments come amid fierce pushback against the bill from the White House. The measure, sponsored by Sens. John Cornyn

(R-Texas) and Charles Schumer

(D-N.Y.), would allow American families of 9/11 victims to sue Saudi Arabia for any role it played in the terror attacks.

President Obama told "CBS This Morning" that the legislation, called the Justice Against Sponsors of Terrorism Act, would open up the United States to lawsuits by individuals from other countries.

White House press secretary Josh Earnest also hinted this week that the president would veto the bill if it reached his desk, and Saudi Arabia reportedly threatened to sell off U.S. assets.

Reid, however, said the legislation has broad support among Senate Democrats.

"I support it, and most everyone in the caucus supports it," he said.

"The pushback on that is coming from the Republicans. Now, I've talked to the White House on this. ... They don't particularly like it, but that's OK," Reid added.

Sen. Lindsey Graham

(R-S.C.) said separately that he has a hold on the legislation over concerns that new changes could expose the U.S. to legal attacks.

House Speaker Paul Ryan

(R-Wis.) also voiced

skepticism over the bill on Tuesday.

Cornyn Slams Obama For Opposing Bill On Terrorism Lawsuits

By Dave Boyer

[Washington Times](#), April 19, 2016

The sponsor of a Senate bill that would allow U.S. victims of terrorism to sue foreign governments blasted President Obama Tuesday for blocking the measure.

Mr. Obama's opposition to the bill amounts to "asking the victims of 9/11 and their families to pay some of the political price for the president's mishandling of our relationship with Saudi Arabia," said Sen. John Cornyn, Texas Republican.

Mr. Cornyn and Sen. Charles E. Schumer, New York Democrat, authored the legislation known as the Justice Against Sponsors of Terrorism Act. Many U.S. officials say that a classified report on the 9/11 attacks implicates Saudi Arabian officials for supporting the suicide hijackers, 15 of whom were Saudi nationals.

The president is departing the U.S. on Tuesday for meetings in Saudi Arabia, England and Germany.

The White House threatened Monday to veto the legislation, saying the measure would endanger U.S. diplomats and military personnel by putting them in legal jeopardy for their actions in other countries. Mr. Cornyn said that's not true.

"This is a narrow piece of legislation, and it would not upend traditional principles of sovereignty," he said.

The lawmaker said the administration "has worked to undercut progress on this legislation at every turn." "In light of his upcoming trip this week, it appears that the Obama administration is pulling out all the stops to keep this bill from moving forward before the president's visit to Riyadh," Mr. Cornyn said. "I wish the president and his aides would spend as much time and energy working with us in a bipartisan manner as they have working against us, trying to prevent victims of terrorism from receiving the justice that they deserve."

Some families of 9/11 victims wrote a letter to Mr. Obama on Monday, urging him to declassify the secret report on the terrorist attacks and to stand up to Saudi threats of economic retaliation for the legislation.

Sept. 11 Families Upset By White House Effort To Derail Bill

By Andrew Taylor And Richard Lardner

[Associated Press](#), April 19, 2016

WASHINGTON (AP) – Families of the victims of the Sept. 11 attacks say they are "greatly distressed" that the Obama administration is working to derail legislation giving them the right to sue the government of Saudi Arabia for any role that elements of the Saudi government may have played in the attack.

"Your place in history should not be marked by a campaign to foreclose the judicial process as a venue in which the truth can be found," more than a dozen relatives of Sept. 11 victims wrote to President Barack Obama.

The family members also urged Obama to permit the declassification and release of U.S. intelligence bearing on the topic of possible Saudi involvement in the attacks.

At issue is a bill that would allow victims' families to hold the Saudi government liable in U.S. court.

House Speaker Paul Ryan tiptoed into the swelling controversy Tuesday, telling reporters that lawmakers need to review the bill "to make sure that we're not making mistakes with our allies." Obama is traveling to Saudi Arabia on Wednesday as part of an overseas trip.

"The White House is opposed to it. It's received some opposition here. We're going to let these things work the process," said Ryan, R-Wis.

The White House said it is opposed to the bill because it could expose Americans overseas to legal risk and could damage the U.S. relationship with the Saudi government. The Kingdom has threatened to pull billions of dollars from the U.S. economy if the legislation is enacted.

"If we open up the possibility that individuals in the United States can routinely start suing other governments, then we are also opening up the United States to being continually sued by individuals in other countries," Obama said in an interview with CBS News.

Obama's visit to Riyadh promises to address a host of issues concerning the U.S. relationship with Saudi Arabia, a key ally in fighting terrorism and bolstering stability in the region. The Saudis have long pushed, with no success, for more aggressive U.S. military action to counter Iran in Syria and Iraq.

Top bill sponsor John Cornyn, R-Texas, dismissed Obama's objections to his Justice Against Sponsors of Terrorism Act.

"It makes minor adjustments to our laws to help Americans who are attacked on U.S. soil get justice from those who sponsor and facilitate that terrorist attack," Cornyn said.

But Sen. Lindsey Graham, R-S.C., said he'll block the bill until he's sure the legislation won't boomerang on the United States.

"I'm asking questions about what does this mean because what we do could bite us later," Graham said.

Graham, a retired Air Force lawyer and the chairman of the Senate subcommittee that controls foreign aid, said his concerns are rooted in the various groups the United States supports in the Middle East against the Islamic State and Assad.

Sen. John McCain, R-Ariz., the chairman of the Armed Services Committee, cited the Saudis' threat to "unload hundreds of billions of dollars in assets." He added that the Saudis are key U.S. allies in the fight against the Islamic State group and Syrian President Bashar Assad.

"We need the relationship," McCain said.

Sen. Richard Burr, R-N.C., the chairman of the Intelligence committee, said he opposed the bill that has some 22 Senate co-sponsors.

Cornyn said a vote is unlikely to happen while Obama is in Saudi Arabia.

"I'm still looking at it," Senate Majority Leader Mitch McConnell, R-Ky., told reporters before directing questions to Cornyn.

Minority Leader Harry Reid, D-Nev., said he supports the bill and so does most of the Democratic caucus.

Reid said he's spoken to the White House and "they don't particularly like it. But that's OK," he said, adding, "I think that we should move forward on this legislation. I hope we can."

Beyond the bill, five senators are calling on Obama to press the Saudis during his visit on human rights issues and raise the cases of two imprisoned advocates when he visits Riyadh this week.

Marco Rubio, Patrick Leahy, Dick Durbin, James Risch and Ron Johnson sent a letter to Obama on Tuesday asking him to make the issue a prominent part of his trip. They said unless Obama makes human rights a priority, U.S.-Saudi relations will suffer.

AP Diplomatic Writer Matt Lee contributed to this report.

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Donald Trump: 'Very Revealing Things' In Classified 9/11 Papers

By David Sherfinski

[Washington Times](#), April 19, 2016

GOP presidential front-runner Donald Trump said Tuesday a classified portion of the 9/11 Commission's report should have been released "a long time ago" and predicted there are some "very revealing things" in the papers.

"I think we should have seen it a long time ago," Mr. Trump said on "Fox and Friends." "I think I know what it's going to say. It's going to be very profound having to do with Saudi Arabia and Saudi Arabia's role on the World Trade Center [in] the attack, and that's very serious stuff."

President Obama is facing pressure to declassify 28 pages from the report that reportedly deal with possible ties Saudi officials had with the hijackers. Fifteen of the 19 terrorists were Saudi nationals.

The White House has said Director of National Intelligence James R. Clapper is in the process of reviewing the papers.

"I've said it for a long time: We attacked Iraq, and frankly by attacking Iraq, they were not the ones that knocked down the World Trade Center," Mr. Trump said. "Now, I've been saying that for a long time. Let's see what the papers say. I think they should have been released a long time ago."

"I think they're finally going to be, at least in some form, released," he said. "It's sort of nice to know who your friends are, and perhaps who your enemies are, but you're going to see some very revealing things in those papers, and I look forward to reading [them]."

Mr. Trump might have made a vague reference to the secret papers that are part of the report while campaigning in South Carolina in February.

"It wasn't the Iraqis. You will find out who really knocked down the World Trade Center," he said then. "[Because] they have papers in there that are very secret. You may find it's the Saudis, OK? But you will find out."

Swedish Deputy P.M. Refers To 9/11 Terrorist Attacks As 'Accidents'

By Jessica Chasmar

[Washington Times](#), April 19, 2016

Swedish Deputy Prime Minister Asa Romson came under fire Tuesday after she referred to the Sept. 11, 2001, terrorist attacks as "accidents."

Ms. Romson made the comments on public television Tuesday morning while discussing the resignation of housing minister Mehmet Kaplan, The Daily Mail reported.

"He has been chairman of Young Muslims in tough situations like the September 11th accidents," Ms. Romson said of Mr. Kaplan.

Critics were quick to point out that the Al-Qaeda led attacks on New York's World Trade Center, Washington's Pentagon building and United Airlines Flight 93 were no accidents.

Ms. Romson later clarified her comments in an email sent to The Local.

"Let there be no doubt: the attacks on the World Trade Center in New York City on September 11th 2001 were one of the most vile acts of terror and disastrous violations of the open, free and democratic society in modern history," she wrote. "The tragedy for the world and the families of the almost 3,000 human beings who perished as a result of the attack cannot be overstated."

"We refuse to let terror set the agenda. Not then, not now. We must not let extremism cloud our judgement or fall to the low point where immigrants or muslims are collectively blamed as a result of the acts of extremists," Ms. Romson said.

Her comments came just a day after Republican presidential front-runner Donald Trump mistakenly referred to the 9/11 attacks as "7-Eleven," getting the figures confused with the name of the popular convenience store chain.

Omar Khadr Getting Married To Human Rights Activist Muna Abougoush

By Zi-Ann Lum

[Huffington Post \(CAN\)](#), April 19, 2016

Former Guantanamo inmate Omar Khadr is getting married, according to media reports.

A friend of the 29-year-old confirmed his engagement to human rights activist Muna Abougoush, according to CTV News.

Abougoush, a University of Alberta graduate, played a key role in rallying a network of supporters to advocate for Khadr's freedom. She helped keep his case in the news and encouraged people to write letters to him while he was in jail.

Postmedia cited Facebook posts congratulating the couple on their upcoming nuptials, including one that read: "I am so happy to think you will be sharing your future together after so many years of shared past."

Omar Khadr walks out the front door of his lawyer Dennis Edney's home to speak the media in Edmonton on May 7, 2015. (Photo: Nathan Denette/The Canadian Press)

In 2013, Abougoush met the former child soldier for the first time while visiting him at the medium-security Bowden, Alta. prison he was serving his sentence at.

She admitted she was "nervous" when it came time to meeting Khadr in person after years of supporting his case from behind the scenes.

"This case that everyone had been talking about for over a decade was about to become a real person," she told the Toronto Star at the time.

She told the newspaper their conversations broached topics that ranged from "schools, different education paths, cars."

Plea to Canadians

Khadr was 15 when he was captured wounded in Afghanistan during a firefight. At the time, he was the youngest prisoner and only Westerner to be held at Guantanamo Bay.

He pleaded guilty to multiple war crimes in 2010 and was sentenced to an additional eight years in prison by a United States military commission.

"I'll prove to them that I'm a good person."

In 2012, he was transferred to serve the remainder of his sentence in Canada. After nearly 13 years behind bars, Khadr was granted bail last year. He asked Canadians to give him a chance.

"I will prove to them that I'm more than what they thought of me, I'll prove to them that I'm a good person," he told reporters.

The former Conservative government condemned the judge's decision at the time, releasing a statement saying, "(We) regret that a convicted terrorist has been allowed back into Canadian society without having served his full sentence."

Abiding by one of his bail conditions, he currently lives in Edmonton with his lawyer Dennis Edney.

With files from The Canadian Press

CYBER NEWS

F.B.I. Tells Panel It Needs Hackers To Keep Up With Tech Companies

By Eric Lichtblau

[New York Times](#), April 19, 2016

WASHINGTON — The F.B.I. defended its hiring of a third-party company to break into an iPhone used by a gunman in last year's San Bernardino, Calif., mass shooting, telling some skeptical lawmakers on Tuesday that it needed to join with partners in the rarefied world of for-profit hackers as technology companies increasingly resist their demands for consumer information.

Amy Hess, the Federal Bureau of Investigation's executive assistant director for science and technology, made the comments at a hearing by members of Congress who are debating potential legislation on encryption. The lawmakers gathered law enforcement and Silicon Valley company executives to discuss the issue, which has divided technology companies and authorities in recent months and spurred a debate over privacy and security.

The hearing follows a recent standoff between the F.B.I. and Apple over a court order to force the company to help gain access to an iPhone used by one of the San Bernardino

attackers. Apple refused to comply with the order, citing harm to the privacy of its users. The F.B.I. later dropped its demand for Apple's help when it found a third-party alternative to unlock the device.

In the hearing, Ms. Hess did not provide details on how the F.B.I. ultimately gained access to the iPhone but said the agency has come to rely on private-sector partners to keep up with changes in technology.

"We require services of specialized skills we can only get through third parties," Ms. Hess said.

Some lawmakers criticized the use of "gray hat" hackers and questioned the F.B.I.'s demands for Apple's help to access encrypted information. "I don't think relying on a third party is a good model," said Representative Diana DeGette, a Democrat from Colorado.

Apple's general counsel, Bruce Sewell, said in his opening remarks at the hearing that encryption did not prevent law enforcement from solving crimes.

"As you heard from our colleagues in law enforcement, they have the perception that encryption walls off information to them," Mr. Sewell said. "But technologists and national security experts don't see the world that way. We see a data-rich world that seems to be full of information. Information that law enforcement can use to solve — and prevent — crimes."

Mr. Sewell also defended Apple's security practices, saying the Silicon Valley company always aimed to keep its devices safe from prying eyes. Within the last two years, he said, the Chinese government has requested Apple's source code but the company has refused to hand it over.

The House hearing was the second appearance in weeks by Apple executives and law enforcement officers before members of Congress, which both sides have asked to address the question of access to encrypted devices. The remarks at the event showed that Apple and the F.B.I. are solidifying their opposing positions on encryption.

The battle between Apple and the F.B.I. has driven a wedge between the tech industry and the Obama administration. Though tension has long existed between technology companies and law enforcement over demands for customer data, those private skirmishes spilled into public view with Apple's decision to fight the court order giving the F.B.I. access to an encrypted device.

The F.B.I. said there has been an increase in the number of devices it has acquired through investigations but was unable to gain access to because of encryption. When asked at Tuesday's hearing if the relationship between the tech industry and law enforcement had become adversarial, Ms. Hess responded, "I hope not."

The encryption debate is continuing in other quarters. Apple is fighting an order in a federal court in New York to provide access to a phone involved in a criminal drug investigation there. And last week, Senator Richard Burr, the chairman of the Senate Intelligence Committee and a

Republican, and Dianne Feinstein, the ranking Democrat on the committee, released a draft version of a bill that would require tech companies to decrypt data if requested by a court.

Tech companies, which have largely banded together in support of Apple's pro-encryption position, are lobbying against the draft bill.

"This is urgent because the one thing you don't want is Congress coming in a knee-jerk fashion and doing something with all sorts of negative consequences, which is what we may be seeing happen now," said Michael Petricone, senior vice president of government affairs for the Consumer Technology Association, which represents major tech companies, including Apple, Facebook, Google and Amazon.

City and state law enforcement officials support the Senate draft bill, but it faces strong opposition from many in Congress.

President Obama has done little to assuage concerns by the tech industry. In a speech in March, the president warned against "fetishizing" encryption and urged more compromise between tech companies and the F.B.I. Continue reading the main story

FBI Can't Unlock 13% Of Password-protected Phones It Seized, Official Says

By Erin Kelly

[USA Today](#), April 19, 2016

WASHINGTON — The FBI cannot unlock 13% of the password-protected cellphones it has seized as evidence in the past six months, a top bureau official told a House panel Tuesday.

About 30% of the phones that the FBI has seized since Oct. 1 require passwords to open, said Amy Hess, executive assistant director of the FBI's science and technology branch. The FBI was able to unlock most of those phones, but the number that they can't get into is growing as tech companies build devices with stronger data encryption, Hess said. She also said passwords are becoming longer and more difficult to guess, even with special computer programs designed to crack them.

"Clearly, that presents us with a challenge," Hess told members of the House Energy and Commerce Committee, which brought in law enforcement officials and tech experts to testify about the pros and cons of "end-to-end" encryption, which is designed so that only users can unlock it.

Congress is struggling to decide what legislation — if any — it should pass on encryption.

Senate Intelligence Committee Chairman Richard Burr, R-N.C., and Vice Chair Dianne Feinstein, D-Calif., recently unveiled a draft bill that would effectively bar end-to-end encryption by requiring tech companies to retain a way to unlock their customers' smartphones to comply with court

orders to turn over information to federal agents and local police.

Law enforcement officials say that such a law is needed to keep terrorists and criminals from hiding plots and evidence from investigators armed with court orders. Silicon Valley has come out strongly against the bill, saying it will make Americans more vulnerable to cyber criminals and hackers.

Apple Inc.'s general counsel, Bruce Sewell, testified Tuesday that Apple works closely with the FBI to help solve crimes but does not believe that weakening encryption is the answer.

"We feel strongly that Americans will be better off if we can offer the very best protection for their digital lives," Sewell said.

He said Apple recently worked with the FBI to locate a kidnapping victim in Pennsylvania by helping track Internet Protocol address logs to find out where the victim was being held.

"We work with law enforcement all the time," Sewell said. "I think that gets lost sometimes."

The encryption debate came to a head this year when the FBI went to court to try to force Apple to unlock the iPhone of one of the dead terrorists who killed 14 people and wounded 22 others in an attack in San Bernardino in December.

The FBI dropped its legal battle with Apple after a third party helped agents unlock the phone. But the fight is far from over.

The Department of Justice is now trying to force Apple's assistance to unlock an iPhone linked to a drug conspiracy case in New York City. At the same time, prosecutors and police agencies throughout the country are seeking the FBI's help in unlocking other encrypted phones that might provide evidence in cases involving murders, rapes, child sexual abuse and other major felonies.

Requests involving more than 500 encrypted devices flooded the FBI's Computer Analysis Response Team and the agency's Regional Computer Forensic Laboratory programs during a four-month period beginning last October, FBI officials have said.

A separate survey of more than a dozen state and local law enforcement agencies, based on data gathered by the Manhattan District Attorney's Office and USA TODAY, found that investigators have been blocked from the contents of more than 1,000 smartphones and other devices in recent months.

FBI: Using Third Parties To Break Encryption Not Only Answer

By Eric Tucker

[Associated Press](#), April 19, 2016

WASHINGTON (AP) – The FBI is facing an increasing struggle to access readable information and evidence from digital devices because of default encryption, a senior FBI official told members of Congress at a hearing on digital encryption Tuesday.

Amy Hess said officials encountered passwords in 30 percent of the phones the FBI seized in the last six months, and investigators have had "no capability" to access information in about 13 percent of the cases.

"We have seen those numbers continue to increase, and clearly that presents us with a challenge," said Hess, the executive director of the FBI branch that oversees the development of surveillance technologies.

In her testimony to a subcommittee of the House Energy and Commerce Committee, Hess defended the Justice Department's use of a still-unidentified third party to break into the locked iPhone used by one of the two San Bernardino, California, attackers. But she said the reliance on an outside entity represented just "one potential solution" and that there's no "one-size-fits-all" approach for recovering evidence.

"These solutions are very case-by-case specific," she said. "They may not work in all instances. They're very dependent upon the fragilities of the system, the vulnerabilities we might find," she said, adding that cooperation between the government, academia and private industry was needed to come up with more solutions.

Asked about the FBI's reliance on a third party to get into the phone, and its inability to access the device on its own, Hess said the work requires "a lot of highly skilled specialized resources that we may not have immediately available to us."

Representatives from local law enforcement agencies echoed Hess's concerns. Thomas Galati, the chief of intelligence at the New York Police Department, said officials there have been unable to break open 67 Apple devices for use in 44 different criminal investigations – including 10 homicide cases.

The hearing comes amid an ongoing dispute between law enforcement and Silicon Valley about how to balance consumer privacy against the need for police and federal agents to recover communications and eavesdrop on suspected terrorists and criminals. The Senate is considering a bill that would effectively prohibit unbreakable encryption and require companies to help the government access data on a computer or mobile device when a warrant is issued.

Bruce Sewell, Apple's general counsel, touted the importance of encryption in light of devastating breaches of sensitive government information – including at the IRS and the Office of Personnel Management.

"The best way we, and the technology industry, know how to protect your information is through the use of strong

encryption. Strong encryption is a good thing, a necessary thing. And the government agrees,” Sewell testified.

In response to questions raised at the hearing, Sewell said that the Chinese government had asked Apple for its source code within the last two years – and that Apple declined.

The long-simmering clash escalated in February after a judge in California directed Apple to help the FBI break into the phone used by Syed Farook, who along with his wife killed 14 people on Dec. 2 before dying in a shootout with police. The Justice Department last month said a third party had approached it with a way into the phone, effectively ending that court case. Another legal fight over a phone in a separate drug case is still pending in Brooklyn.

Follow Eric Tucker on Twitter at <http://www.twitter.com/etuckerAP>

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At Encryption Hearing, Lawmakers Search In Vain For Workable Solutions

By Alyssa Bereznak

[Yahoo! News](#), April 19, 2016

Congressional committee members questioned security experts, law enforcement officials and Apple’s head lawyer in a congressional hearing on Tuesday, marking the second time in two months that lawmakers have sought to understand both the risks and benefits that encryption poses to modern society.

The nearly four-hour hearing comes less than a month after the FBI abandoned a controversial case against Apple, in which the federal agency sought to compel the tech company’s help to access the iPhone of a San Bernardino shooter. After encountering heavy opposition from activists, academics, tech companies and lawmakers, forensic investigators found a last-minute solution to break into the Apple device by instead hiring “an outside party,” whose identity it has not revealed. Since then, however, the agency has continued to pursue legal access to Apple’s encrypted devices in a pending court case.

The testimonies offered Tuesday addressed several technical and ethical issues surrounding the government’s regulation of encryption, as well as questions about how it plans to balance the requirements of national security and individual privacy in a technologically driven world. As Rep. Diana DeGette, D-Colo., said in her opening statement to the

committee: “None of our conversations seem to be focused on workable solutions. What I want to hear today is from both law enforcement and industry about possible solutions going forward.”

Witnesses from the law enforcement side included FBI assistant director Amy Hess, Indiana state police captain Charles Cohen, and New York City intelligence bureau police chief Thomas Galati. They were joined by MIT research scientist Daniel Weitzner, University of Pennsylvania associate professor of computer science Matt Blaze, RSA security firm president Amit Yoran, and Apple’s general counsel Bruce Sewell.

Most notably, Hess said that the FBI’s strategy to use a third-party mobile forensic expert in the San Bernardino case was not a reliable method for accessing evidence in the future.

“These solutions are very case by case specific,” she said in reply to a question from DeGette. “They may not work in all instances. Also, they’re very time-intensive and resource-intensive, which may not be scalable to enable us to be successful in our investigations.”

DeGette, who referenced the FBI’s decision to use a “gray hat” party to help open the phone in the San Bernardino case, followed up by asking why the government couldn’t develop its own sophisticated techniques for breaking into devices.

“I don’t see that as possible,” Hess responded. “I think that we really need the cooperation of industry, we need the cooperation of academia, we need the cooperation of the private sector in order to come up with solutions.”

Hess’ testimony contradicts the suggestions of numerous security experts—including encryption expert Susan Landau, who testified in front of Congress in March—that the FBI could and should create its own techniques to break into phones, rather than rely on the industry that engineers them for help.

In another line of questioning related to the San Bernardino case, Rep. Yvette Clarke, D-N.Y., questioned the ethics of relying on a third-party to break into phones and asked if the government needed to “enhance its technological capabilities.”

“We need the help of the private industry,” Cohen replied. “Both the industry that makes the technology and others. There are over 18,000 police agencies in the United States. While the FBI may have some technical ability internally, the police stations do not.”

On the technical panel, Prof. Blaze of UPenn emphasized that even as the public grapples with whether government can be trusted with keys to people’s data, cryptographers don’t know how to engineer a system that offers exclusive access. In other words, if the government is able to access encrypted communications, so can sophisticated cybercriminals.

"The encryption issue has been characterized as a question of whether we can build systems that allow the good guys in and keep the bad guys out," Blaze, who has been studying encryption for over two decades, said in his opening statement. "Much of the debate has focused on questions of whether we can trust the government with keys for data. But before we can ask that question, there's an underlying technical question, of whether we can trust the technology to actually give us a system that does that. And unfortunately, we simply don't know how to do that safely and securely at any scale."

Blaze, alongside the rest of the technical panel, agreed that asking third-party hackers to help with government investigations was not a good policy. But he differed with law enforcement officials by saying the government should develop a solution to access data on its own.

"It requires enormous resources," Blaze said. "With the resources they currently have, I think it's likely they don't have the ability." When pushed by DeGette, however, he said "I think this is a soluble problem."

At one point during the hearing, Rep. John Yarmuth, D-Ky., expressed exasperation with the repetition of law enforcement's statements.

"I find it hard to come up with any question that is going to elicit any new answers from you," Yarmuth said. "I think your testimony and the discussion we've had today is an indication of how difficult this situation is."

Apple, FBI Discuss Encryption Vs. Security On Capitol Hill

By Alyssa Newcomb

[ABC News](#), April 19, 2016

The delicate balance between privacy and security took center stage on Capitol Hill this morning as law enforcement officials and Apple's general counsel appeared on two separate panels to discuss encryption.

Bruce Sewell, Apple's general counsel, and Amy Hess, executive assistant director for science and technology at the FBI, testified before a House Energy and Commerce subcommittee today in two separate panels. Both will be joined by law enforcement officials and technology experts as they weighed in on the debate on balancing privacy and security.

Hess, whose panel testified first this morning, said she supported finding a common ground in the ongoing encryption debate.

"I really believe that certain industry leaders have created secure systems yet they are still able to comply with lawful orders," she said.

Rep. Diana DeGette, D-Colorado, said the committee also invited Facebook and WhatsApp, which is owned by

Facebook, to participate in the hearings but said they declined.

A representative for both companies told ABC News: "We respect the important role the committee plays in examining these issues and their impact on privacy and security. While we are unable to participate in this hearing, we will continue to be engaged on this important issue."

Facebook's WhatsApp messaging service rolled out end-to-end encryption for the app's one billion users earlier this month.

The panels have been convened at a contentious time as the tug-of-war over privacy and security continues to escalate between Silicon Valley and the government.

Microsoft filed suit last week in federal court in the Western District of Washington for the right to be able to tell customers when law enforcement officials request their emails and other data. The lawsuit came the same week Senate Intelligence Committee Chairman Sen. Richard Burr and the panel's vice chair, Sen. Dianne Feinstein, circulated proposed legislation that would compel companies to help authorities access data on the power of a warrant or court order.

Federal officials announced last month they successfully cracked into an iPhone belonging to one of the San Bernardino shooters and no longer needed Apple's help in unlocking the device. Apple and the FBI had engaged in a very public battle over privacy rights leading up to the FBI's announcement.

Only days after abandoning that case, the Justice Department said earlier this month it is still pushing Apple to help break into an iPhone seized in a New York drug case, according to a notice to a federal judge in the Eastern District of New York.

Apple, FBI Return To Congress To Spar Over Encryption

By Dustin Volz

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Congress Hears More Views On iPhone Encryption

By Michael Doyle

[McClatchy](#), April 19, 2016

Encrypted smartphones are piling up in law enforcement lockers, potentially stuffed with evidence that remains out of reach, but the conflict between law enforcement and privacy advocates seems no closer to resolution.

Silicon Valley executives remain intent on protecting privacy, leaving little room for lawmakers to maneuver months after a San Bernardino, California, massacre brought a long-simmering debate to the surface.

"We feel strongly that Americans will be better off if we can offer the very best protections for their digital lives," Bruce Sewell, Apple's senior vice president and general counsel, told a three-hour hearing Tuesday of the Oversight and Investigations panel of the House Energy and Commerce Committee. "The best way we . . . know how to protect your information is through the use of strong encryption."

Sewell noted as an example, in response to questions and allegations, that the company had refused a Chinese government request that it turn over source code for the Apple operating system.

Offering the counterpoint was FBI official Amy Hess. "Encryption as currently implemented poses real barriers to law enforcement's ability to do its job," she told the committee.

Hess started her career in the FBI's Kansas City, Mo., field office in 1991, 16 years before Apple unveiled the first iPhone. She's now executive assistant director of the FBI's Science and Technology Branch and working on a frontier still being mapped by Congress and the courts.

The stakes are rising, by the day.

From last October through March, the New York Police Department was "locked out of 67 Apple devices" seized during investigations of 44 violent crimes, the NYPD's intelligence chief, Thomas P. Galati, testified.

100 percent of our users would be made more vulnerable if we were forced to build a back door.

Apple Senior Vice President Bruce Sewell

A top Indiana State Police official likewise reported that more than 40 percent of the cellphones found in investigations of Internet crimes against children have encryption that blocks forensic examination.

"We absolutely know that we could stop pedophiles today if we had access to data on the encrypted phones sitting in our evidence rooms," Indiana State Police Capt. Charles Cohen said.

Executives with Facebook and its instant-messaging subsidiary WhatsApp, which encrypts all messages sent through it, declined to participate in the hearing, lawmakers said.

"This issue will not be easy," acknowledged Rep. Tim Murphy, R-Pa., chair of the House subcommittee, adding that "it requires a very thoughtful approach."

Underscoring the uncertainties and complexities, both Murphy and his panel's senior Democrat, Rep. Diana DeGette of Colorado, avoided staking out positions in their questioning Tuesday.

Ron Hickman, the sheriff of Harris County, Texas, urged Congress to take action, saying federal legislation

rather than state-by-state rules were needed in order to "keep a consistency across states for all manufacturers and . . . create a more secure and competitive environment."

At the same time, Hickman warned against the federal government mandating that U.S. companies create "backdoor" access to encrypted information, leaving open the key question of what Congress might do other than, perhaps, add technical or budgetary resources.

One bill authored by Rep. Michael McCaul, R-Texas, would establish a bipartisan National Commission on Security and Technology to make recommendations.

Separately, draft legislation floated by the two senior members of the Senate Select Committee on Intelligence, North Carolina Republican Richard Burr and California Democrat Dianne Feinstein, would require companies to comply with court orders.

The 10-page draft bill compels companies to "provide such technical assistance as is necessary" for law enforcement agencies to obtain encrypted information "in an intelligible format."

"We need strong encryption to protect personal data, but we also need to know when terrorists are plotting to kill Americans," Feinstein said last week when she unveiled the bill.

The draft bill, though, does not specify penalties for failure to comply, and its long-term prospects are unclear.

EDITORS: STORY CAN END HERE

Feinstein and Burr crafted the draft bill after Apple, citing privacy considerations, refused a Feb. 16 court order that it assist the FBI in cracking an iPhone 5c used by one of two shooters who killed 14 people in San Bernardino last December.

The device was designed to automatically erase its data after 10 failed pass-code attempts. Ultimately, the FBI hired an outside company to hack into Syed Farook's iPhone and the Justice Department then filed a motion saying it no longer required Apple's assistance.

Still, the issue of assistance to access encrypted communications remains unresolved. Apple also has refused a Justice Department request that it break into an iPhone 5s owned by a suspected methamphetamine dealer in Queens, New York, named Jun Feng.

Unlike the judge in the San Bernardino case, Brooklyn-based Magistrate Judge James Orenstein refused to order Apple to help. The Justice Department is appealing Orenstein's ruling.

"We really need the cooperation of industry, we need the cooperation of academia, we need the cooperation of the private sector," Hess said.

Apple Phone Fight: Tech Firms, Law Enforcement Seek Common Ground

By Sean Sposito

[San Francisco Chronicle](#), April 19, 2016

Silicon Valley executives and law enforcement officials told a House of Representatives committee Tuesday that they're searching for common ground in the fight over encryption.

But their comments showed just how hard reaching a compromise will be.

Bruce Sewell, Apple's general counsel, told the Energy and Commerce Committee that he works directly with his counterparts at the FBI and the Department of Justice, even as his company resists the government's calls to make its iPhones searchable during criminal investigations. In February, the issue reemerged after federal officials demanded that Apple help bypass the pass code on a phone belonging to one of the shooters in December's San Bernardino attack.

But experts testifying at the hearing Tuesday said the issue was not as simple as, say, cracking open a safe-deposit box at a bank.

"We can create an access point, and we can create locks," Sewell said. "But the problem is the keys to that lock will ultimately be available somewhere. And if they are available anywhere, they can be accessed by both good guys and bad guys."

Cryptography, he said, is the best way to keep people — and their bank account information, their medical records and their secrets — safe.

Capt. Charles Cohen, the commander of the Indiana State Police Office of Intelligence and Investigative Technologies, insisted that law enforcement agents need better access to encrypted data.

"I have also heard so-called experts say that law enforcement can get everything we need with metadata. The short answer is: We cannot," he said. "Asking a detective to use only the metadata to solve an online crime is the equivalent of asking a detective to process a crime scene by only looking at the street address on the outside of the house where a crime was committed."

Cohen added that in Indiana, if an iPhone 5s or newer Apple phone is offered to the state police, "we don't even take that as an item of evidence anymore, because we know there is no technical way to unlock the device."

In the last six months, the FBI hasn't been able to access roughly 1 in 10 of the encrypted smartphones protected by pass codes that it has seized as evidence, said Amy Hess, the bureau's executive assistant director for science and technology. In that same time, the New York Police Department hasn't been able to access 102 devices — including a piece of evidence involved the shooting of two officers.

Both sides of the debate expressed frustration during the hearing, as did members of Congress.

Rep. Diana DeGette, a Democrat from Colorado, criticized Facebook and its subsidiary WhatsApp for declining an invitation to appear.

"It's hard to solve a problem when the key players won't show up for the discussion," she said.

A spokesman for both companies refused to explain why they didn't send representatives to the hearing but said the companies would remain engaged in the debate.

Sewell, meanwhile, tried to swat down a series of allegations that law enforcement officials made against Apple during the hearing.

"We have not provided source code to the Chinese government," he said. "We did not have a key 19 months ago that we threw away. We have not announced that we are going to apply pass code encryption to the next generation iCloud. I just want to be very clear on that, because we heard three allegations. Those allegations have no merit."

Hess defended the FBI's decision to work with outside security researchers — known as "grey-hat hackers" — to break into the San Bernardino shooter's iPhone. But she admitted that she "does not think that that should be the solution."

Could The Government Learn To Overcome Encryption Itself?

By Alina Selyukh

[NPR](#), April 19, 2016

U.S. lawmakers Tuesday once again brought Apple, the FBI, security experts and law enforcement officials to testify on the ongoing debate over encryption and the ability of investigators to access data on electronic devices.

A major theme that emerged from this latest hearing (though it's been discussed by some cybersecurity experts before) was the ability or the need of the FBI to improve its own technical prowess to crack encryption — something that wouldn't require the help of the tech companies or other third parties, like the high-profile case of the San Bernardino iPhone did.

"The fact that the FBI had to go to a third party indicates that the FBI either had or devoted insufficient resources to finding a solution," Matthew Blaze, a University of Pennsylvania computer scientist, told the House Energy and Commerce oversight panel.

As Apple, WhatsApp and others are rolling out a new kind of encryption that secures data in a way that not even the companies themselves can read what people say to each other, investigators argue, they're creating warrant-proof spaces for criminals.

"As far as I know, the FBI is not exaggerating or trying to mislead anyone when they say that there is currently no way to recover data from newer iPhones," testified Indiana State Police Capt. Charles Cohen, echoing what FBI Director

James Comey has said about the mysterious third-party tool used to unlock the San Bernardino shooter's iPhone 5C.

And that led up to perhaps the most interesting exchange, between FBI Executive Assistant Director for Science and Technology Amy Hess and Rep. Diana DeGette, D-Colo.:

DeGette: "If third-party individuals can develop these techniques to get into these encrypted devices, why can't we bring more capabilities in-house to the government to be able to do that?"

Hess: "These types of solutions that we do employ and can employ, they require a lot of highly skilled, specialized resources that we may not have immediately available to us."

DeGette: "Can we develop those with the right resources?"

Hess: "No ma'am, I don't see that possible — I think that we really need the cooperation of the industry, we need the cooperation of the academia, we need the cooperation of the private sector in order to come up with solutions."

Apple's top lawyer, Bruce Sewell, said the company didn't yet have a formal position on this idea, of sort of a lawful hacking: "I think this is a very nascent area for us, but part the question is what happens to the result, does it get disclosed."

DeGette also asked him whether he agreed that the FBI needed to focus more attention on building up its own technical prowess.

Sewell: "I'd agree that we ought to spend more money, time, resources on the FBI and on local law enforcement, training ..."

DeGette: "And would Apple be willing to help them develop those capabilities?"

Sewell: "We actively do participate in helping them."

DeGette: "So your answer would be yes."

Sewell: "That we would participate in training, we would—"

DeGette: "... and helping them develop those new capabilities ..."

Sewell: "What we can do is to help them understand our ecosystem; that's what we do on a daily basis."

Sewell also said before the San Bernardino legal dispute began, the FBI and Apple were, in fact, working on an arrangement that would bring their teams together to discuss how the two sides view the role and future of technology.

The FBI's Hess told the lawmakers that what the agency wanted from the tech companies was "that when we present an order signed by an independent neutral judge that they're able to comply with that order and provide us with the information we're seeking in readable form."

Lawmakers Struggle For Answers On Encryption

Congress offers few ideas on how to find a middle road between security and privacy

By Devlin Barrett And Damian Paletta

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Apple Lawyer To Brief Senators On FBI iPhone Spat

By Cory Bennett

[The Hill](#), April 19, 2016

The lawyer that led Apple's legal team during its recent standoff with the FBI over a locked iPhone will brief senators Wednesday about the case.

Sen. Orrin Hatch (R-Utah), who chairs the Senate Republican High-Tech Task Force, organized the off-the-record briefing with the attorney, Ted Olson.

Apple in February hired Olson to help it fight an FBI court order directing the tech giant to create software that would disable a security feature and allow investigators to hack an iPhone used by one of the shooters in the San Bernardino, Calif., terrorist attacks.

Apple characterized the software as a dangerous "back door" that could allow hackers to access millions of other iPhones. It also maintained that complying would set a troubling precedent allowing law enforcement to ask other tech companies to undermine their own security.

The FBI countered that its request was narrowly tailored to one phone and that it was not trying to expand its powers.

The two tussled in various legal filings, but the government eventually dropped its case after it discovered an alternative method of hacking the phone without Apple's assistance.

Still, the back-and-forth sparked a heated debate on Capitol Hill about whether Congress should pass legislation to force companies like Apple to comply with similar court orders in the future.

Sens. Richard Burr (R-N.C.) and Dianne Feinstein (D-Calif.) — the leaders of the Intelligence Committee — recently introduced a bill that would mandate companies provide "technical assistance" to government investigators seeking secure data.

While law enforcement has long pressed Congress for such a bill, the technology community and privacy advocates caution that guaranteeing access to secure data will undermine security and endanger online privacy.

"While the litigation involving Apple and the federal government in the San Bernardino case has been resolved, many legal and policy questions remain unanswered," a release from Hatch said.

"In this interactive session, Mr. Olson will discuss the constitutional and statutory issues involved in the San

Bernardino case, the broad implications of that litigation and related considerations for policymakers.”

Apple Refused China Request For Source Code In Last Two Years: Lawyer

By Dustin Volz

[Reuters](#), April 19, 2016

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Apple Refused Chinese Request For Source Code, Top Lawyer Says

By Matthew DeLuca

[NBC News](#), April 19, 2016

The Chinese government asked Apple for its source code within the past two years, and the company turned them away, the tech giant’s general counsel Bruce Sewell told a congressional hearing on Tuesday.

“We have been asked by the Chinese government. We refused,” Sewell said.

That request came “within the past two years,” Sewell said.

This isn’t the first time Apple has pushed back against the idea that it has given other countries special access to its tech, as it and other tech companies clash with governments around the world for control over information.

“Apple has never made user data, whether stored on the iPhone or in iCloud, more technologically accessible to any country’s government,” Apple software chief Craig Federighi said in a declaration filed in the case over the iPhone used by San Bernardino terrorist Syed Farook. “Apple has also not provided any government with its proprietary iOS source code.”

U.S. law enforcement officials at Tuesday’s hearing said they need help from the technology industry to combat what they describe as a growing number of criminals who are hiding under the cover of encryption built into common devices and applications.

“Evidence that once would have been stored in a file cabinet or a notebook is now archived in an email or a text message,” said Thomas Galati, chief of intelligence for the New York City Police Department, at the hearing’s first panel.

Read More: Apple Doesn’t Have to Help FBI in New York iPhone Case, Judge Says

“The same exact information that would solve a murder, catch a rapist, or prevent a mass shooting is now stored in that device.”

Galati said that the NYPD seized 67 Apple devices between last October and March in 44 criminal investigations, including 10 homicides, two rapes and the shooting of two police officers.

“In every case, we have the ‘file cabinet,’ as it were, and the legal authority to open it, but we lack the technical ability to do so because encryption protects the contents of those 67 Apple devices,” Galati said.

For years, even as computer technology took off, encryption remained difficult to use, and mostly remained in the hands of cryptographers and government agencies. Relaxed export controls in the early 2000s and advances in technology have made encryption a protection that is increasingly taken for granted, as people buy new iPhones and use messaging services like WhatsApp that have built-in encryption to manage who can access data.

The debate gained new life after the FBI sought a court order in February to compel Apple to bypass security features on an iPhone 5C used by San Bernardino shooter Farook, who along with his wife killed 14 people in December. Apple resisted the order, and the government ultimately dropped the case, saying that it had bought a product from a third party that helped it get data off the device.

Amy Hess, executive assistant director for the FBI’s science and technology branch, and other law enforcement witnesses said they need assistance from the technology companies to figure out a way around the challenges posed by encryption. But experts in security and cryptography have pushed back, saying the access that the FBI and police want would endanger the security of many other devices.

“The state of computer and network security today can really only be characterized as a national crisis,” said security research Matt Blaze, who testified on the hearing’s second panel. “We need all the help we can get to secure our national infrastructure across the board.”

Blaze, now a professor at the University of Pennsylvania, played a key role in the “crypto wars” of the late 1990s when he exposed a flaw in the NSA-designed “Clipper chip,” which the government wanted to use to provide law enforcement access to encrypted communications.

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Read More: Apple Helped With Thousands of Law Enforcement Requests, Report Says

"We respect the important role the committee plays in examining these issues and their impact on privacy and security," a spokesperson for WhatsApp and Facebook said. "While we are unable to participate in this hearing, we will continue to be engaged on this important issue."

Sen. Dianne Feinstein and Sen. Richard Burr last week released a draft version of legislation that would require technology companies to provide "technical assistance" to investigators who have a warrant to get data off a device.

The draft bill was widely condemned by privacy and security advocates who say the law's demands are not technically workable. New York City Police Commissioner Bill Bratton and Manhattan District Attorney Cy Vance are among the officials who have come out in support of Feinstein and Burr's proposal.

Apple released a transparency report on Monday showing that it still works with law enforcement agencies in thousands of cases, many of which involve requests around lost or stolen devices. The company helped investigators in 80 percent of the requests it received regarding devices between July and the end of December 2015.

"Not a day goes by when someone on my team is not working with law enforcement," Apple general counsel Sewell said at Tuesday's hearing.

F.B.I. Says It Needs Hackers To Keep Up With Tech Companies

By Cecilia Kang, Eric Lichtblau
[New York Times](#), April 20, 2016

WASHINGTON — The F.B.I. defended its hiring of a third party to break into an iPhone used by a gunman in last year's San Bernardino, Calif., mass shooting, telling some skeptical lawmakers on Tuesday that it needed to join with partners in the rarefied world of for-profit hackers as technology companies increasingly resist their demands for consumer information.

Amy Hess, the Federal Bureau of Investigation's executive assistant director for science and technology, made the comments at a hearing by members of Congress who are debating potential legislation on encryption. The lawmakers gathered law enforcement authorities and Silicon Valley company executives to discuss the issue, which has divided technology companies and officials in recent months and spurred a debate over privacy and security.

The hearing follows a recent standoff between the F.B.I. and Apple over a court order to force the company to help unlock an iPhone used by one of the San Bernardino attackers. Apple opposed the order, citing harm to the privacy of its users. The F.B.I. later dropped its demand for Apple's help when it found a third-party alternative to hack the device.

Yet that has done little to quell the controversy. The encryption debate has continued with new hearings,

proposed legislation and other cases that involve locked iPhones and law enforcement demands that the devices be opened to aid investigations.

In Tuesday's hearing, Ms. Hess did not provide details on how the F.B.I. ultimately gained access to the San Bernardino iPhone but said the agency had come to rely on private sector partners to keep up with changes in technology. She said that there was no one-stop solution and that the agency generally should not use third parties to hack into systems but lacks the expertise to break past encryption.

"These types of solutions that we may employ require a lot of highly skilled, specialized resources that we may not have immediately available to us," Ms. Hess said.

The focus on third parties at the hearing illustrates a growing discomfort by some in Congress and in the tech industry with the use of "gray hat" hackers, who are hackers who may push the boundaries of the law and anger companies but whose intentions are not malicious.

"I don't think relying on a third party is a good model," said Representative Diana DeGette, a Democrat from Colorado. She questioned if the use of third-party hackers was ethical and whether it could open up greater security risks because sensitive and valuable data could be accessible to outside groups.

Ms. Hess did not answer directly when asked about whether there were ethical issues in using third-party hackers but said the bureau needed to review its operation "to make sure that we identify the risks and benefits." The F.B.I. has been unwilling to say whom it paid to demonstrate a way around the iPhone's internal defenses, or how much, and it has not shown Apple the technique.

Apple's general counsel, Bruce Sewell, said at the hearing that encryption did not prevent the authorities from solving crimes.

"As you heard from our colleagues in law enforcement, they have the perception that encryption walls off information to them," Mr. Sewell said. "But technologists and national security experts don't see the world that way. We see a data-rich world that seems to be full of information. Information that law enforcement can use to solve — and prevent — crimes."

Mr. Sewell also defended Apple's security practices, saying the company always aimed to keep its devices safe from prying eyes. Within the last two years, he said, the Chinese government has requested Apple's source code but the company has refused to hand it over. In a public report on Monday, the company said American law enforcement officials made 4,000 requests for customer data covering more than 16,000 devices in the second half of last year.

Law enforcement officials testifying before the committee on Tuesday expressed frustration over their inability to run a number of cases to ground — particularly sex abuse and child pornography cases — because of

encrypted phones. They said the recent publicity over the issue could end up helping criminals.

"Make no mistake — criminals are listening to this testimony and learning from it," said Charles Cohen, commander of the Indiana Internet Crimes Against Children Task Force.

The F.B.I. said there has been an increase in the number of devices it has acquired through investigations but was unable to gain access to because of encryption. Ms. Hess said that since October, 13 percent of the devices obtained by the F.B.I. were impenetrable by the agency. When asked at Tuesday's hearing if the relationship between the tech industry and law enforcement had become adversarial, Ms. Hess responded, "I hope not."

The encryption debate is continuing in other quarters. Apple is fighting an order in a federal court in New York to provide access to a phone involved in a criminal drug investigation. And last week, Senator Richard Burr, the chairman of the Senate Intelligence Committee and a Republican, and Dianne Feinstein, the ranking Democrat on the committee, released a draft version of a bill that would require tech companies to decrypt data if requested by a court.

Tech companies, which have largely banded together in support of Apple's pro-encryption position, are lobbying against the draft bill.

Timed to the Tuesday hearing, trade groups representing top technology companies including Apple, Facebook, Google and Microsoft sent a letter to Senators Burr and Feinstein, opposing their bill.

"We believe it is critical to the safety of the nation's, and the world's, information technology infrastructure for us all to avoid actions that will create government-mandated security vulnerabilities in our encryption systems," the groups, which include the Reform Government Surveillance and Computer and Communications Industry Association, said. "Any mandatory decryption requirement, such as that included in the discussion draft of the bill that you authored, will lead to unintended consequences."

Michael Petricone, senior vice president for government affairs at the Consumer Technology Association, added, "This is urgent because the one thing you don't want is Congress coming in a knee-jerk fashion and doing something with all sorts of negative consequences, which is what we may be seeing happen now."

City and state law enforcement officials support the Senate draft bill, but it faces strong opposition from many in Congress.

President Obama has done little to assuage concerns by the tech industry. In a speech in March, the president warned against "fetishizing" encryption and urged more compromise between tech companies and the F.B.I.

Apple Refused Chinese Request For Source Code, Top Lawyer Says

By Matthew DeLuca

[CNBC](#), April 19, 2016

The Chinese government asked Apple for its source code within the past two years, and the company turned them away, the tech giant's general counsel Bruce Sewell told a congressional hearing on Tuesday.

"We have been asked by the Chinese government. We refused," Sewell said.

That rebuffed request came "within the past two years," Sewell said.

This isn't the first time Apple has pushed back against the idea that it has given other countries special access to its software, as it and other tech companies clash with governments around the world for control over information.

"Apple has never made user data, whether stored on the iPhone or in iCloud, more technologically accessible to any country's government," Apple software chief Craig Federighi said in a March declaration filed in the case over the iPhone used by San Bernardino terrorist Syed Farook. "Apple has also not provided any government with its proprietary iOS source code."

U.S. law enforcement officials at Tuesday's hearing said they need help from the technology industry to combat what they describe as a growing number of criminals who are hiding under the cover of encryption built into common devices and applications.

"Evidence that once would have been stored in a file cabinet or a notebook is now archived in an email or a text message," said Thomas Galati, chief of intelligence for the New York City Police Department, at the hearing's first panel.

"The same exact information that would solve a murder, catch a rapist, or prevent a mass shooting is now stored in that device."

Galati said that the NYPD seized 67 Apple devices between last October and March in 44 criminal investigations, including 10 homicides, two rapes and the shooting of two police officers.

"In every case, we have the 'file cabinet,' as it were, and the legal authority to open it, but we lack the technical ability to do so because encryption protects the contents of those 67 Apple devices," Galati said.

For years, even as computer technology took off, encryption remained difficult to use, and mostly remained in the hands of cryptographers and government agencies. Relaxed export controls in the early 2000s and advances in technology have made encryption a protection that is increasingly taken for granted, as people buy updated iPhones and use messaging services like WhatsApp that have built-in encryption to manage who can access data.

The debate gained new life after the FBI sought a court order in February to compel Apple to bypass security features on an iPhone 5C used by San Bernardino shooter Farook, who along with his wife killed 14 people in December. Apple resisted the order, and the government ultimately dropped the case, saying that it had bought a product from a third party that helped it get data off the device.

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Sources: Data From San Bernardino Phone Has Helped In Probe

By Evan Perez, Pamela Brown And Shimon Prokupecz
[CNN](#), April 19, 2016

(CNN)Hacking the San Bernardino terrorist's iPhone has produced data the FBI didn't have before and has helped the investigators answer some remaining questions in the ongoing probe, U.S. law enforcement officials say.

Apple and the FBI are squaring off again Tuesday in testimony at a House hearing on encryption, with the recent battle over unlocking a terrorist's phone looming in the background.

Investigators are now more confident that terrorist Syed Farook didn't make contact with another plotter during an 18-minute gap that the FBI said was missing from their time line of the attackers' whereabouts after the mass shooting, the officials said. The phone has helped investigators address lingering concern that the two may have help, perhaps from friends and family, the officials said.

The phone didn't contain evidence of contacts with other ISIS supporters or the use of encrypted communications during the period the FBI was concerned about. The FBI views that information as valuable to the probe, possibilities it couldn't discount without getting into the phone, the officials said.

Private sector hackers hired by the FBI helped investigators gain access to the phone, which was at the center of a legal dispute between the government and Apple.

Apple was fighting a judge's order to help the FBI get past security features to get access to the phone's data.

One of the points of contention during the legal fight was Apple's argument that the FBI already had obtained relevant data from the iCloud account linked to the phone and from other data not stored on the device. That breaking into the device would be of little use.

The government contended investigators couldn't be sure until they accessed data from the phone.

FBI investigators now have concluded there was data on the phone they didn't have previously, law enforcement officials said, declining to offer more specifics.

The data is still being analyzed and more leads are being followed, the officials said.

Much of the mystery of the missing 18 minutes, and why the terrorists drove seemingly aimlessly around the San Bernardino area following the attack, remains unsolved.

Hackers Turn To Corporate Attacks As Spam's Payoff Diminishes

By Amina Elahi

[Chicago Tribune](#), April 19, 2016

Have you checked your spam folder recently? It might be filling up slower than it used to.

Cybercrime continues to be a moneymaker, but whom hackers target — and how — is changing, according to a report on trends in cybersecurity released Tuesday by Chicago-based firm Trustwave.

The information security company analyzed data collected from its breach investigations in 2015, including tens of billions of emails, tens of millions of Web transactions and thousands of Web application security scans.

Email systems have gotten better at filtering out malicious messages before they hit users' inboxes, according to Karl Sigler, a threat intelligence manager at Trustwave. He said the company found that less than 55 percent of emails that went through Trustwave's email security system in 2015 were spam, down from nearly 85 percent in 2010.

That's because criminals are finding it harder to make money off of blasting malicious emails to almost anyone, Sigler said. Instead, some criminals are switching to spear phishing attacks, in which they target one valuable individual or organization.

Criminals can comb social networks to figure out connections within organizations to write emails that look relatively legitimate, Sigler said. That can make it easier to trick the recipient into opening it or clicking on a link, he said.

"They're targeting the CFO," Sigler said. "They're targeting (whoever is) in charge of the bank accounts of the organization."

Study: Rush to connect to Internet of Things could open security gaps

Ally Marotti

The rush by companies eager to incorporate the Internet of Things in their operations could introduce potential cybersecurity threats, according to a study released Monday.

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Corporate attacks are now outpacing retail incidents. In 2014, incidents at the point of sale made up 40 percent of all breaches, while those in corporate settings represented only about 20 percent of hacks. In 2015, 40 percent of breaches were corporate, while just 20 percent of hacks were at the point of sale.

The payoff from a successful corporate hack can be worth the extra labor of infiltrating those more complex networks, Sigler said.

"Criminals are always trying to go where the money is," Sigler said. A company's network "could be a treasure trove, rather than breaking one single site open."

By breaking into a few employees' email accounts, hackers can gain access to entire networks and retrieve customer lists, usernames or other valuable databases that can be sold to spammers.

Although spamming may be less lucrative than it was in the past, hackers continue to use widespread attacks to make lots of money, Sigler said. The report estimated attackers can get a return of more than 1,400 percent in a month on what they invest in creating a malware campaign.

Adobe Flash, especially in ads, was a major source of vulnerabilities in 2015. Twelve of the 14 new software programs that target software weaknesses in 2015 went after Flash, the report said.

The complex nature of Flash's software makes it easier for hackers to hide malicious code inside it, Sigler said.

"Since it's ... installed in your Web browser, it also gives criminals a very wide berth of potential victims," Sigler said. And it's easy: All criminals have to do is install a malicious Flash file on a website and wait for users to visit. In some cases, they don't even have to click for their computer to be infected.

That connection can give hackers access to documents on a local hard drive that they can encrypt and hold for ransom, he said. They could also gain access to the user's cloud accounts, such as Dropbox or Google Drive.

"Once a criminal has access to put malware on your system, they can pretty much do whatever they want," Sigler said. "It just depends on what that malware is set up to do."

Sigler said strong passwords organized in a password manager can help keep hackers out of personal accounts, and that ad blockers do a decent job of keeping out many ads, including malicious ones hackers sneak into reputable ad networks.

In many cases, Flash has been replaced by the more secure HTML5, except on some legacy websites, Sigler said. He recommended that anyone who can access the content they need without using Flash should uninstall it.

"You just run the risk that a criminal's going to find a vulnerability in Flash before Adobe does," Sigler said. "There's nothing that can be done to prevent those attacks."

US Congressman Calls For Investigation Into Vulnerability That Lets Hackers Spy On Every Phone

Vulnerabilities within SS7 mobile phone network brokerage system allow attackers to listen to calls, read messages and track location using just a phone number

By Samuel Gibbs

[The Guardian \(UK\)](#), April 19, 2016

A US congressman hacked as part of a demonstration showing that all you need is someone's phone number to record their calls, texts and location, has called for an oversight committee investigation into the "significant vulnerability".

The security flaws within the system that brokers connections, billing and transfers messages between phone networks – called Signalling System No 7 (SS7), also known as C7 in the UK or CCSS7 in the US – allow remote access to mobile phone users' data anywhere in the world regardless of the security of their smartphone, using just their phone number.

The Californian congressman Ted Lieu said: "The applications for this vulnerability are seemingly limitless, from criminals monitoring individual targets to foreign entities conducting economic espionage on American companies to nation states monitoring US government officials."

While encrypted messaging services such as WhatsApp are unaffected, SMS messages and calls placed across the mobile phone network can be listened in to, read and recorded, while the location of the phone can be tracked using the mobile network's location services independent of GPS or other location technologies on the phone.

Lieu said: "The vulnerability has serious ramifications not only for individual privacy, but also for American innovation, competitiveness and national security. Many innovations in digital security – such as multi-factor authentication using text messages – may be rendered useless."

The hackers demonstrating the attack in 2014, and again for 60 Minutes, explained that it is an "open secret" that law enforcement and security services, including the US National Security Agency, were aware of and use it to spy on targets using just their phone number.

As the vulnerability is within the mobile phone network infrastructure, there is nothing users can do to protect themselves beyond switching off their phone.

Congressman Testifies About Being ID-theft Victim

By Naomi Jagoda

[The Hill](#), April 19, 2016

A Republican on the House Ways and Means Committee shared his story of being a victim of tax-related identity theft at a hearing on Tuesday.

"As a taxpayer and tax preparer for almost 30 years, it is apparent to me that identity theft is real," Rep. Jim Renacci

(R-Ohio) testified at a Ways and Means oversight subcommittee hearing on the tax filing season.

Last year, someone filed a fake return in Renacci's name that included a fake W-2 from the House. The return claimed a "significant" refund and instructed that the refund be deposited in a foreign bank account, Renacci said.

"Thankfully, there were various red flags associated with this fraudulent return, which the [Internal Revenue Service] caught before sending payment," Renacci said.

If You Can Hack The Pentagon, The DOD Would Like To Give You Money

[AOL](#), April 19, 2016

If you want to hack into secure government information, now is your chance.

April 18 marks day one of the U.S. Department of Defense's pilot program, "Hack the Pentagon." For the first time, the government is offering hackers money to find vulnerabilities within the DOD.

But it's not a free-for-all. To legally break into the Pentagon's data files, you have to register for the program through HackerOne and meet the eligibility requirements. So if you live in a country that's under U.S. trade sanctions or if you're on the list that bans you from doing business with Americans – your hacking services are not welcome.

Eligible hackers have until May 12 to try to break into the Pentagon's defenses. Those who find a bug or vulnerability will get paid from the program's \$150,000 funding pool.

Apple Is Ending Support For QuickTime For Windows After US Government Recommended People Uninstall It

[Business Insider](#), April 19, 2016

Larry Kurfiss of Seattle works with his Microsoft Windows 95 program July 24, 1995 in his Seattle home. Kurfiss was among 50,000 testers of the new version of the Windows personal computer operating system, scheduled to ship in late August.

Apple has confirmed to The Wall Street Journal that it's going to stop working on its QuickTime media player for Windows after a security company found flaws in the program.

Last week the US government advised Windows PC users to uninstall QuickTime because cybersecurity firm Trend Micro said it had found two bugs in the program.

The bugs found by Trend Micro could, in theory, allow hackers to take control of a PC by directing QuickTime users to malicious web pages.

Apple hasn't said that it's going to fix the flaws — instead it told The Wall Street Journal that it's just not going to

update the software anymore, effectively dropping it from its software line-up.

US Navy Offers \$26M Contract To Small Business To Train Military Cyber Personnel

By Fred Donovan

[FierceGovernmentIT](#), April 19, 2016

The U.S. Navy is offering a \$26 million five-year contract to a small business to train the Navy and Marine Corps' cyber personnel.

The Navy issued a combined solicitation for the training program, which will involve online and in-person cybersecurity training for military personnel and civilians in the Navy's Space and Naval Warfare Systems Command and Fleet Cyber Command, as well as the Marine Corps Forces Cyberspace Command.

"The cyber training services acquired in this solicitation shall provide support to develop and deliver technical courses required to meet operational standards at National-level organizations providing support to cyber security missions. The courses will be aligned to compliment on going cybersecurity technological initiatives," stated the solicitation at FedBizOpps.gov.

According to Fedscoop, the Navy's Task Force Cyber Awakening recommended that \$300 million be earmarked in fiscal year 2016 to bolster the service's cyber posture, with a heavy focus on training.

In addition, Marine Corps Forces Cyberspace Command Commander Maj. Gen. Daniel O'Donohue told Congress last year, "Just as the Marine Corps remains dedicated to the notion that there is no more dangerous weapon than a Marine and his rifle, we believe the solutions to our shared problems in cyberspace revolve around our people, and not systems."

The contract will have a base period of three years with two one-year option periods. Deadline for questions about the solicitation is April 26, and the bid deadline is May 12.

US Marine Corp Offers \$26 Million To Businesses For Cybersecurity Training

By Charlie Osborne

[ZDNet](#), April 19, 2016

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Warfare Systems Center Pacific (SSC Pacific), Program Executive Offices, Marine Forces Cyberspace Command (MARFORCYBER), and Fleet Cyber Command (FCC).

As noted by Fedscoop, the US government needs military personnel and civilians to be trained in cybersecurity for use in future missions.

"The cyber training services acquired in this solicitation shall provide support to develop and deliver technical courses required to meet operational standards at National-level organizations providing support to cyber security missions," the request reads.

"The courses will be aligned to compliment on going Cyber Security technological initiatives within MARFORCYBER and FCC."

Courses must be both online and delivered in person.

In March, the US Marine Corp announced plans to expand MARFORCYBER from a small unit to a more substantial addition to national defense.

Brig. Gen. Lori E. Reynolds, the MARFORCYBER chief, says marines will be brought "into the realm of cyberspace" and will operate in both offensive and defensive missions.

The contract is for three years with two additional years as an option. Companies can bid for the contract until 12 May, 2016.

Can You School The Navy, Marines On Cyber Security?

By Tom Brant

[PC Magazine](#), April 19, 2016

The Navy and Marines are planning a five-year cybersecurity training program for civilian and military personnel, and they have \$26 million for anyone who can create it.

A recently released contract solicitation is looking for a small business to develop online and in-person courses that will ensure that military personnel are "

properly certified and skilled on cyber security."

Among the courses the winner will need to develop are the fairly generic-sounding "Network Traffic Analysis," "Cyber Threat Detection and Mitigation," and "Reverse Engineering Malware." There are also more curious courses, including "Advanced Digital Media Forensics" and "Advanced Adversary Tactics." Classes should also cover software like Metasploit Pro, which performs network penetration tests, and Cobalt Strike, for emulating threats.

The new contract is part of an overall increase in US military spending on cyber security. A Navy task force recommended \$300 million to be set aside in fiscal year 2016 for cyber-security training programs, according to Fedscoop.

Proposals are due by May 12. It is aimed exclusively at small businesses, and has a base period of three years with two one-year extensions. Back to top

North Korean Cyber Capability Among World's Best, Brooks Says

By Anthony Capaccio

[Bloomberg News](#), April 19, 2016

North Korea's asymmetric warfare potential is being bolstered by one of the world's best and most organized cyber attack capabilities, according to the Army general nominated to command U.S. forces in South Korea.

"This is an area of growth," Army General Vincent Brooks told the Senate Armed Services Committee during his nomination hearing Tuesday. "While I would not characterize them as the best in the world, they are among the best in the world and the best-organized. What they are experimenting with" and "what they are willing to do" has shown boldness and capability, he added.

Although Brooks, the former head of Army Pacific forces, touched on North Korea's cyber attack skills, he declined during the public hearing to discuss U.S. offensive cyber capabilities against Kim Jong Un's reclusive regime.

FBI Director James Comey said in early 2015 that his agency had "high confidence" that North Korea orchestrated a 2014 attack against Sony Corp. that led to the leak of information on the company's employees, internal e-mails and future movies. North Korea's Reconnaissance General Bureau was behind that hack, James Clapper, U.S. director of national intelligence, also said in 2015. North Korea rejected the accusations.

North Korea's conventional forces remain forward-deployed near the demilitarized zone separating it from South Korea, and the U.S. has seen a decline in the levels and complexity of training for those troops, Brooks said. Moreover, the north's military possesses "badly outdated" weapons and its weak economic base means it "lacks the logistical support necessary to sustain a large-scale attack."

"The majority of its combat systems are antiquated, with many of the weapons systems dating from the 1960s, 70s and 80s," he said. North Korea's biggest conventional threat comes from its more than 300 long-range artillery and multiple rocket launchers, which can reach into the south and hit Seoul.

While the United Nations tightened economic restrictions on North Korea earlier this year in retaliation for its missile program and nuclear tests, Brooks said in his written response to the committee's questions that the U.S. should assume the country "has the technical capability to mount and deliver a nuclear warhead using ballistic missiles."

The general said he sees no signs of instability in Kim's regime after the leader succeeded his father Kim Jong Il in 2011, despite several high-level shakeups.

"Compared to his father, Kim Jong Un is more aggressive with advancing the North's nuclear program and ignoring international concerns," Brooks said. "His father was

more willing to offer negotiations probably to ease Chinese and other international pressures."

Italy Strips Hacking Team Of Licence To Export Outside EU

By James Politi In Rome And Hannah Kuchler In San Francisco

[Financial Times](#), April 19, 2016

Full-text stories from the Financial Times are available to FT subscribers by clicking the link.

COUNTERING VIOLENT EXTREMISM

Don't Give Up On Young Arabs

By David Ignatius

[Washington Post](#), April 19, 2016

As President Obama travels this week to Saudi Arabia, here's a surprising snapshot of what young Arabs think: They're scared about the Islamic State and terrorism; they yearn for more freedom and gender equality; they fear that the Arab Spring has made life worse; and they're increasingly skeptical about the role of traditional religious values.

If these Arab reactions seem similar to what people would say in the West, maybe that's the real takeaway. Despite all the violence and extremism that plague the region, most young Arabs have sensible modern reactions. This isn't a world apart: Arab youths hate the turmoil that's wrecking their countries and want a better, more stable life.

This portrait of the Arab world emerges in a remarkable survey by the public relations company ASDA'A Burson-Marsteller and the polling firm Penn Schoen Berland. It's actually a time-lapse photo, because this "Arab Youth Survey" has been conducted annually for the past eight years. By reading the back issues, you can see hopes rising with the Arab Spring in 2011, and then crashing against the reality of violence and disarray.

Let's start with this year's headlines: In face-to-face interviews with 3,500 young people ages 18 to 24 in 16 countries, 77 percent of participants said they were concerned about the rise of the Islamic State and 76 percent said the group would fail in its ultimate goal of establishing a caliphate. Asked to explain why young people were attracted to the group, 24 percent cited lack of jobs, but a larger 25 percent chose the answer: "I can't explain it — I don't understand why anybody would want to join."

One intriguing finding of this study is that Arab youths are increasingly dubious about the role of religion and traditional values. Asked if they agreed with the statement "Religion plays too big of a role in the Middle East," 52 percent said yes this year, with 61 percent of those in Arab Gulf countries, including Saudi Arabia, sharing that view.

Women's rights also get strong support: 67 percent of young Arabs said their leaders should improve the personal freedom and human rights of women. This progressive view had roughly equal support from young Arab men (66 percent) as women (68 percent). By the way, an even number of men and women were surveyed.

What kind of country do these young Arabs want to live in? The overwhelming answer in 2016, for the fifth year running, was the United Arab Emirates — a Muslim country that is increasingly open, tolerant, prosperous and adapting to the modern world.

The previous installments show how far the region has traveled over the past decade. In the 2009 and 2010 surveys, there was a yearning for democracy, with at least 90 percent of the respondents in most countries saying that living in a democratic country was important to them. But they still embraced a traditional world: 68 percent said their religion defined them as a person in 2010, and men were far less likely than women to support equal opportunity in the workplace. This Arab conservatism had eroded by 2014, when the percentage who agreed that "traditional values mean a lot to me" had fallen to just 54 percent from 83 percent in 2011.

The hurricane of the Tahrir Square uprising that toppled Egyptian President Hosni Mubarak in February 2011 was vividly captured by the survey. In January that year, 82 percent of Arab youth supported "traditional values." A month later, that number had fallen 11 points. Those describing their political views as liberal jumped from 20 percent in January to 51 percent the next month. Young people overwhelmingly supported the overthrow of Mubarak in Egypt and the autocratic rulers of Libya and Yemen.

The optimism and idealism of the Arab Spring were real. But so was the disillusionment that followed. The share who agreed that "Following the Arab Spring, I feel the Arab world is better off" collapsed from 72 percent in 2012 to just 36 percent in 2016. Egyptians bucked that pessimistic trend, with 61 percent still positive this year about their revolution.

Here's what I draw from this survey: Young Arabs are sadder but wiser; they want a freer, more modern life; and they're skeptical about easy answers from religion or democratic elections. They know they're in a long transition, and they've become more pessimistic, but they still affirm in each survey, "Our best days are ahead of us."

A simple summary: Don't give up on the Arabs. They're living through hell, but they want the same modern, secure world that most people do.

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David Ignatius: The Islamic State is degraded but far from being destroyed

Kim R. Holmes and William B. Taylor: Why the United States should help Tunisia fulfill its Arab Spring dreams
Kathleen Parker: Understanding the Islamic State

NATIONAL SECURITY NEWS

Obama: Iraq To Retake Mosul From ISIS By End Of Year

By Carlo Munoz

[Washington Times](#), April 19, 2016

President Obama anticipates Iraqi forces to retake Mosul from Islamic State control by the end of 2016.

"My expectation is that by the end of the year, we will have created the conditions whereby Mosul will eventually fall," Mr. Obama said Monday in an interview with CBS News.

However, Mr. Obama reiterated that to create those conditions for Iraqi forces to drive Islamic State from the country's second largest city, the United States and its allies must continue to provide support for those forces.

"As we see the Iraqis willing to fight and gaining ground we must make sure that we are providing them more support," Mr. Obama said.

The president's comments came shortly after Defense Secretary Ashton Carter announced that over 200 U.S. troops backed by additional American air power and a shipment of heavy weapons would be heading to Iraq to support the Mosul offensive.

Iraqi forces, with direct support American warplanes and a number of U.S.-manned "firebases," have laid siege to areas in and around the city in preparation for the final push to wrest it from Islamic State control.

However, that offensive has bogged down over the last several weeks, prompting the White House to send in additional American support.

Along with the 217 U.S. special operations troops and military trainers, Army Apache attack helicopters and a long-range rocket system are also being deployed into Iraq to provide close air support for Iraqi forces advancing on Mosul.

"We have to be more aggressive in the moves we make" against Islamic State in Iraq, Mr. Carter said in a Monday interview with NBC News during an official visit to Baghdad.

Dozens Dead In Syria Strikes As Opposition Chiefs Leave Talks

By Rouba El Hussein And Layal Abou Rahal

[AFP](#), April 19, 2016

Beirut (AFP) — Suspected government air strikes killed at least 44 civilians at markets in northwestern Syria Tuesday, as opposition chiefs said they were leaving peace talks in Geneva because of such attacks.

In some of the deadliest violence since a ceasefire took effect in February, a suspected regime bombing raid hit a market in the city of Maaret al-Numan, killing at least 37 civilians, a monitor said.

Footage showed bloodied bodies scattered among twisted metal stalls in a street strewn with fruit and vegetables.

Another strike on a fish market in the nearby town of Kafranbel killed seven civilians, said the Syrian Observatory for Human Rights, a Britain-based monitoring group.

The strikes were in Idlib province, which is under the control of Al-Qaeda's Syrian offshoot Al-Nusra Front.

Like the Islamic State group, Al-Nusra is excluded from the ceasefire and regime forces have continued offensives in areas under its control.

The main opposition High Negotiations Committee condemned the strike on Maaret al-Numan as a "massacre" and clear violation of the truce.

"It is a dangerous escalation of an already fragile situation, showing contempt for the whole international community at a time when there is supposed to be a cessation of hostilities," said spokesman Salem al-Meslet.

The raid was "Assad's response" to the HNC's decision to suspend its formal participation in negotiations.

"Our decision to postpone our participation in the Geneva talks was taken to highlight the cynicism of the regime in pretending to negotiate while escalating the violence... The world must not ignore this challenge," said Meslet.

– UN insists talks go on –

The troubled talks – the latest in a long series of efforts to end Syria's five-year conflict – failed to get off the ground this week despite hopes brought on by the ceasefire.

The partial truce, brokered by the United States and Russia, led to a dramatic drop in violence across Syria but a recent surge in fighting, especially around second city Aleppo, has raised fears of its total collapse.

The opposition announced Monday it was putting its participation on hold to protest escalating violence and restrictions on humanitarian access.

HNC coordinator Riad Hijab said Tuesday that he and other delegates were beginning to leave Geneva.

"I will be travelling today along with some of my colleagues from the HNC. Some people left yesterday and today and they will keep leaving gradually until Friday," he said.

"It is not suitable, neither morally nor on the humanitarian side, to be part of negotiations when Syrians are dying daily from sieges, hunger, bombings, poisonous gases and barrel bombs."

The UN has insisted the talks have not collapsed, with its envoy Staffan de Mistura saying they would continue through the week.

He said the indirect talks format – which has seen the HNC and Assad's representatives meet separately with UN mediators – created flexibility to continue the discussions.

Russian Foreign Minister Sergei Lavrov also insisted the talks were "not frozen" and slammed the HNC as "capricious participants in the talks who are spoilt by their external patrons".

– 'Price of time is blood' –

This week's talks are meant to focus on Syria's political future, as the UN pushes a plan involving a transitional authority, a new constitution and eventual elections.

But Assad's future has been the key sticking point, with the opposition insisting he must go and the regime refusing.

Speaking in Moscow, Lavrov said: "No one can win the war. All experts recognise this.

"There are some external players who dream about deposing the regime by force and try to do everything including disrupting the talks in Geneva."

The regime's lead negotiator reiterated Tuesday that Assad's fate remained off-limits but said Damascus was prepared to discuss the creation of a new unity government.

"A broader unity government is the only topic of discussion here," said Bashar al-Jafaari, Syria's ambassador to the UN.

"It is not in our jurisdiction, it is not within our prerogatives to discuss the fate of President Bashar al-Assad."

World powers have backed the ceasefire and talks as the best hope yet to end a conflict that has devastated Syria, killed more than 270,000 people and forced millions from their homes.

But the rising violence in recent weeks has lowered expectations of a breakthrough.

The HNC has accused the regime of violating the ceasefire more than 2,000 times.

Hijab called for international observers to be sent in and for ceasefire violators to be held to account.

He warned against wasting time, saying: "For Syrians the price of time is blood."

Pro-Government Warplanes Bomb A Rebel Town That Hates Al-Qaeda, Killing Scores

By Hugh Naylor

[Washington Post](#), April 19, 2016

BEIRUT — Even though they strongly oppose militants linked to al-Qaeda, residents of a rebel-held town in northwestern Syria on Tuesday faced devastating airstrikes from pro-government warplanes that killed at least 37 people, according to activists and a monitoring group.

The air raids targeted an area crowded with civilians in Maarat al-Numan, killing and wounding scores, including

women and children, according to the Syrian Observatory for Human Rights.

"The death toll is almost certain to rise," said the head of the Britain-based Syrian Observatory, who uses the alias Rami Abdulrahman. He described the attack as a "massacre." His group operates a team of activists in Syria that monitors the conflict.

Mohammad Karkas, a media volunteer for local rebel groups in Maarat al-Numan, said the death toll could be as high as 51 people. A warplane targeted the town's main market with two rockets, cutting down scores of people — including families — as they shopped for fruits and vegetables, he said.

"There were charred bodies all over the street. Their insides were torn inside out," he said, noting that local medical facilities were overwhelmed with the wounded. "There were people who lost arms and legs."

The bombing struck amid faltering peace talks in Geneva and the apparent collapse of a partial cease-fire, initiatives that have received backing from both the United States and Russia. Even though they are divided over the civil war, the two powers have pursued intensified diplomacy in recent months to end a civil war that has killed 250,000 people and displaced millions.

It was unclear whether the raid was carried out by government warplanes or aircraft operated by Russia, which intervened militarily in the Syrian conflict last year to bolster its ally, President Bashar al-Assad, against rebel forces. The United States backs Assad's moderate opponents.

Footage posted by activists on social media, which could not be independently verified, shows Maarat al-Numan's formerly bustling market area reduced to rubble and smoldering ruins. Other images showed stunned residents limping away from the attacked area, as well as emergency responders carrying away the wounded.

For critics of Assad, Tuesday's raid on the town in northwestern Idlib province further demonstrates how his forces deliberately target civilians and, in turn, effectively empower extremists in the country's devastating war.

Since early March, residents of the town about 170 miles north of Damascus have held large demonstrations against Jabhat al-Nusra, al-Qaeda's affiliate in Syria, forcing the radical group to withdraw from the town. The departure of its militants from the area — where they had once roamed the streets with virtual impunity — demonstrated that moderate voices in the Syrian conflict have not been silenced, analysts and opposition supporters said.

"This massacre of innocents in a market place in Maarat al-Numan shows the true face of the Assad regime — utterly brutal, totally careless of human life," said Salem al-Meslet, a spokesman for the opposition High Negotiations Committee delegation to the peace talks in Geneva.

On Monday, the HNC suspended its participation in the talks, citing alleged intransigence by the government delegation, especially over the issue of Assad's future.

"Assad is telling the world he has no interest in diplomacy for peace, but is determined to go on killing Syrians with impunity," Meslet said in a statement.

The partial cease-fire, which took effect on Feb. 27, had reduced hostilities enough to allow public rallies in opposition areas against Syria's government. Jabhat al-Nusra and the Islamic State were not included in the cease-fire.

In Maarat al-Numan, those demonstrations quickly escalated into protests against Jabhat al-Nusra over what residents said were increasingly heavy-handed measures imposed by the group. These included the violent treatment of religious minorities and forcing residents to obey strict fundamentalist rules, such as the mandatory covering of women in public places.

The group also angered residents after it attempted to disperse anti-government rallies and attacked local rebel fighters.

Mohammed Alaa Ghanem, a senior political adviser at the Syrian American Council, said Jabhat al-Nusra would likely try to exploit Tuesday's attack by attempting to demonstrate its anti-Assad bona fides to local residents. The al-Qaeda affiliate has a reputation for effectiveness in battles against Syrian government forces.

"These kinds of attacks make it impossible for people to rise up against extremism, denying them any chance to build a civil society and a sense of normalcy in their communities," he said.

Imad Salamey, a political science professor at the Lebanese American University, said Tuesday's bombings further demonstrate how extremist groups and the Syrian government find common cause in trying to marginalize moderate opposition forces.

"This just shows again how both extremes in the Syrian conflict — the regime and the radical Islamists — feed off each other and need each other to survive," he said.

Zakaria Zakaria in Istanbul contributed to this report.

Syria Cease-Fire Crumbles As Bombings Kill Dozens

By Anne Barnard

[New York Times](#), April 19, 2016

BEIRUT, Lebanon — For 38 straight days, the streets of the northwestern Syrian town of Maarat al-Numan had been the scene of protests against the government and the Islamic extremists of the Nusra Front. On Tuesday, they became a scene of carnage, as government warplanes attacked the town's marketplace, killing dozens of people, according to residents and rescue workers.

The attack confirmed the apparent unraveling of a fragile cease-fire agreement between Syrian government forces and some armed opposition groups. The attack in Maarat al-Noaman, and a similar one in the nearby town of Kafr Nabl, came several days after the start of a new insurgent offensive in a neighboring province, and a day after the main Syrian opposition group said it would no longer participate in diplomatic discussions in Geneva.

The opposition has accused the government of repeatedly violating the partial cease-fire, and Tuesday's attacks were seen as a violent end to the relative respite from airstrikes that had lasted nearly two months.

Some residents in Maarat al-Noaman, 68 miles north of Homs, and in other towns in Syria that had been afforded a modicum of free space, had resumed the street protests that began the uprising against President Bashar al-Assad more than five years ago. The recent protests have signaled residents' opposition to the government that has been bombing them and their distaste for extremists fighting among the rebel groups.

As Syrians at home have again raised their voices in protest, insurgent groups have been pressing representatives of the opposition to take a harder line in talks in Geneva, which have produced little progress. The bombings Tuesday were, for many in Syria, the last straw.

"We consider it the end of the truce, but we will keep demonstrating," Anas al-Maarawi, an antigovernment activist, said by phone from Maarat al-Noaman.

As the partial cease-fire and the political talks crumbled, the goals set out by the United Nations mediator, Staffan de Mistura, and the chief international sponsors of the talks, the United States and Russia, have dissipated.

Aid workers have managed to visit some long-isolated areas of Syria, but most of the besieged areas have received little of the help they desperately need. The government has continued to remove medical supplies, including nutrition kits to help save people from starvation, from shipments to areas it has under siege, aid officials said.

Hopes for an exchange of prisoners have gone unfulfilled. The government has not agreed to discuss a political transition, while the opposition has refused any resolution that would allow Mr. Assad to remain in office, citing the protocols governing the Geneva talks, which call for the establishment of a transitional governing body with full executive powers.

Riad Hijab, the head of the High Negotiations Committee representing Syrian opposition groups in Geneva, said Tuesday that his delegation would not participate in "a political process which prolongs the life of this regime."

The opposition's decision to pull out of talks in Geneva could be viewed as a win for Russia, Mr. Assad's chief international backer, which can blame the rebels for the collapse of the talks while continuing the parallel talks it has

organized on its own military base in Syria with officially tolerated opposition figures.

The breakdown of political negotiations could also be awkward for Saudi Arabia, the main sponsor of the Syrian opposition, as President Obama prepares to visit the Saudi capital this week.

Negotiators said the bombings underscored their view that the government was not interested in seeing the talks succeed.

"Our decision to postpone our participation in the Geneva talks was taken to highlight the cynicism of the regime in pretending to negotiate while escalating the violence," Salem al-Meslet, the spokesman for the negotiations committee, said in a statement. "This attack is Assad's response. The world must not ignore this challenge."

Stephane Dujarric, the United Nations spokesman in New York, said Tuesday that there had been "an uptick in violence" and that aid agencies had not had satisfactory access to civilians trapped in besieged areas. "We've seen an increase in our ability to deliver humanitarian aid," he said, adding that access was insufficient. "Obviously we need to see less violence and more humanitarian access."

Videos and photographs that were posted online by residents and rescue workers in Maarat al-Noaman and Kafr Nabl showed bodies, including some children, strewn about the twisted metal and spilled vegetables of marketplaces. More than 40 people were killed in Maarat al-Noaman, and several more in Kafr Nabl, a town known for its witty protest banners and cartoons.

The partial cease-fire that appears all but finished did not cover the Qaeda-allied Nusra Front or militants of the Islamic State, and the government has reserved the right to attack insurgent groups that cooperate with them. In Maarat al-Noaman, American-backed rebels had recently clashed with Nusra Front fighters, igniting the protests.

Fighting In Syria Intensifies As Opposition Digs In Heels

By Jamey Keaten And Philip Issa
[Associated Press](#), April 19, 2016

GENEVA (AP) – Syria's top opposition leader vowed to fight "even with stones" to depose President Bashar Assad, shifting sharply to a tone of conflict over conciliation as peace talks in Geneva teetered near collapse Tuesday amid a new surge in fighting – including government airstrikes that left dozens dead.

Angry and defiant, Riad Hijab of the Western-backed Syrian High Negotiations Committee thundered home the opposition coalition's decision to walk back – if not entirely away – from U.N.-brokered peace talks in Geneva. He demanded more Security Council oversight of an increasingly

wobbly cease-fire as Assad's troops battled rebel fighters in various parts of the country.

The calculated gamble to jeopardize what diplomats have called the best chance in years to bring a diplomatic end to Syria's five-year war came amid the opposition group's growing frustration over unproductive peace talks and hundreds of government cease-fire violations in recent weeks.

The Britain-based Syrian Observatory for Human Rights reported that at least 44 people – mostly civilians – died in government airstrikes on opposition-held towns in northern Idlib province on Tuesday. Government warplanes also bombed areas in the central Homs and Hama provinces, activists said.

Salem Meslet, the High Negotiations Committee spokesman, said the deadly strikes validated the coalition's decision to suspend participation in the Geneva talks. Calling the strikes a "massacre of innocents," Meslet said that "Assad is telling the world he has no interest in diplomacy or peace."

The opposition coalition accuses the government of preparing an assault on the city of Aleppo, ignoring its demands for the release of thousands of detainees, and rejecting or avoiding requests for U.N.-led humanitarian aid shipments in recent weeks. The opposition says those are signs of bad faith by Assad's side and accuses it of stalling for time in the Geneva talks.

"We cannot continue to be in discussions in Geneva when our people are dying of hunger and bombardments," Hijab told a news conference. "We will fight no matter the circumstances. We will fight even with stones, and will not surrender."

"There cannot be a political process that prolongs the life of this regime," he said. "For us, as of yesterday, we are out of the political process."

He demanded deployment of international monitors to inspect adherence to the cease-fire brokered by the U.S. and Russia in late February. While calling the United States a "friend" of the opposition, Hijab also put some blame on the U.S., saying it has responsibilities in upholding human rights that "are being violated on a daily basis in Syria."

"We demand that the United States shoulder its responsibility," he said. "Words are not enough, and humanitarian support is not enough. We need action on the ground."

The opposition coalition's decision to suspend participation in the Geneva talks has strained the finely crafted mediation by the U.N. Syria envoy, Staffan de Mistura, whose office continued holding discussions with smaller opposition groups. De Mistura has said he would review the state of the talks on Friday.

De Mistura's office declined to comment on Hijab's statement.

Mohammed Alloush, the opposition coalition's main negotiator, said its delegation would only return if Assad's government implemented international agreements and halted airstrikes. In comments to The Associated Press, Alloush said he was leaving Geneva because he didn't want to be part of an "absurd" process that may not reach a viable political solution.

Hijab said he too was leaving, but that a High Negotiations Committee team will remain – even if its members won't go to the U.N. offices that have hosted the talks on-and-off since early February. In the talks, the two sides have met with de Mistura at separate times, but not face-to-face.

Russia, a key backer of Assad, lashed out at the pullback. Russia's ambassador in Geneva, Alexei Borodavkin, told the Russian news agency TASS on Tuesday that the High Negotiations Committee's suspended participation in the talks "is proof that, unfortunately, extremists took control within the delegation."

In a conference call with journalists, Dmitry Peskov, a spokesman for President Vladimir Putin, reaffirmed Moscow's support for Assad and the talks. In a telephone call Monday with U.S. President Barack Obama, Putin stressed support for dialogue and the cease-fire, according to Peskov.

In Washington, White House spokesman Josh Earnest said the U.S. would continue to push both sides to participate in the talks and called on Russia to use its influence with Assad to force the government to honor the cease-fire agreement.

While the indirect talks were to focus on political transition, the two sides got bogged down on Assad's future. Aided by the Russian air power that entered Syrian skies in late September, the Syrian army and allied militiamen have reversed the tide of the war in recent months, making rapid advances against opposing forces, including the radical Islamic State group, which is not in the peace process.

Hijab accused the government of using the cease-fire to advance on rebel positions and said Assad's biggest allies, Russia and Iran, continued to supply his forces with weapons and fighters. He complained that supplies and ammunition were denied to rebel forces, and said he hoped that the U.S. would continue supplying weapons to some rebel groups.

On Tuesday, government troops restored control of most of the villages and hills it lost to rebels a day earlier in their offensive in the government-held coastal region of Latakia, according to the Local Coordination Committee, an activist-operated media forum, and al-Manar TV, which is affiliated with the pro-Assad Lebanese Hezbollah group.

The Local Coordination Committee reported government airstrikes, including barrel bombs, in multiple locations in Homs province. The group said there was intense fighting in Kafer-Laha in central Homs.

Issa reported from Beirut. Associated Press writers Sarah El Deeb in Beirut and Katherine Jacobsen in Moscow contributed to this report.

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Syrian Talks Appear Doomed As Air Strike Kills Dozens In Market

By John Irish And Tom Perry

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Russian Foreign Minister Insists Syria Peace Talks 'Not Frozen'

[AFP](#), April 19, 2016

Moscow (AFP) – Russian Foreign Minister Sergei Lavrov on Tuesday insisted that Syria peace talks in Geneva were “not frozen” as he slammed main opposition chiefs for walking out.

Lavrov said that while the main opposition High Negotiations Committee has announced it is putting its participation on hold, a government delegation and other groups are still taking part.

“The talks are not frozen,” Lavrov said at a press conference with French counterpart Jean-Marc Ayrault in Moscow.

“We are coming from the position that (UN envoy) Staffan de Mistura is continuing his shuttle diplomacy with those who are not trying to put forward ultimatums and conditions,” Lavrov said.

Delegates from the opposition High Negotiations Committee were leaving Geneva after the group suspended its formal participation to protest escalating violence and restrictions on humanitarian access.

Lavrov blasted the HNC opposition group as “capricious participants in the talks who are spoilt by their external patrons”.

“They imagined that they could insist on what would be the agenda for the negotiations, stating that it needs to be clear for the start of these negotiations when and how (President Bashar al-Assad) will cease to lead Syria,” Lavrov said.

“No one can win the war. All experts recognise this,” Lavrov said. “There are some external players who dream

about deposing the regime by force and try to do everything including disrupting the talks in Geneva.”

The United Nations has insisted the talks have not collapsed, with de Mistura saying they would continue through the week.

He said that the indirect talks format – which has seen the HNC and Assad’s representatives meet separately with UN mediators – created flexibility to continue the discussions.

This week’s talks are meant to focus on Syria’s political future, as the UN pushes a plan involving a transitional authority, a new constitution and eventual elections.

Russia is one of Assad’s firmest backers and has launched a bombing campaign in Syria to help back up his forces on the ground.

Syria Cease-Fire Falters As U.S.-Backed Rebels Attack, Citing Assad Violations

By Guy Taylor

[Washington Times](#), April 18, 2016

The Obama administration Monday rushed to shore up a faltering cease-fire in Syria, even as the very opposition rebel forces Washington backs in the conflict announced plans for more attacks in response to what it said was a wave of truce violations by the regime of Syrian President Bashar Assad.

Syria’s Western-backed political opposition also announced a “pause” in precarious U.N. peace talks that the U.S. and Russia, which backs Mr. Assad, hoped would get off the ground in Geneva this week.

In a letter to its fighters in the field Monday, the opposition’s High Negotiations Committee said a surge in cease-fire violations and advances by the Assad regime’s military meant the truce was “effectively over” and that the peace process had been indefinitely postponed.

Within hours, reports emerged of rebel assaults in Syria’s Latakia province, an Assad regime stronghold on the Mediterranean, and a rebel advance on the city of Hama — all while the Syrian military continued to pound rebel-held territory in several key areas of the country.

The surge in violence sent concerns soaring of another humanitarian crisis in Syria, where hundreds of thousands have already died in the 6-year-old civil war.

The U.S. and Russia brokered the cease-fire, which went into effect Feb. 27. The pause in fighting allowed desperately needed food and medical aid to reach besieged civilian areas.

The aim of the truce, which the Obama administration officially called a “cessation of hostilities,” was to give the government and rebels room to negotiate a deal and concentrate the fighting on the Islamic State and other jihadi groups operating in the country.

But the cease-fire has been shaky from the start. With its fate hanging in the balance Monday, administration officials said President Obama had engaged in a “rather intense” telephone call with Russian President Vladimir Putin over the status of the truce.

“President Obama stressed the importance of pressing the Syrian regime to halt its offensive attacks against the opposition,” the White House said in a statement, adding that “the two leaders committed to intensify their efforts to shore up the [cease-fire] and affirmed the need to end attacks by all parties and ensure humanitarian access to all besieged areas.”

Administration officials also sought to downplay the uptick in violence.

State Department spokesman John Kirby told reporters that “nobody’s disputing that there are violations [but] the violence is still significantly reduced” from what was occurring prior to when the cessation of hostilities went into effect.

More than 250,000 people have been killed in Syria’s civil war, which has been waged on multiple fronts and spawned millions of refugees.

While he acknowledged that the High Negotiations Committee had asked for a “pause” in the talks, Mr. Kirby expressed hope that the process could still go forward.

“We knew it was going to be hard,” he said.

The opposition claims the Syrian military has breached the agreement more than 2,000 times over the past seven weeks.

Exploiting the lull

The Assad regime, backed by Russian airpower, has exploited the cease-fire to expand its control over key areas of the country — particularly around the one-time opposition stronghold of Aleppo.

In Geneva on Monday, U.N. Syrian Envoy Staffan de Mistura also sought to counter the image of a negotiation in trouble.

He noted that rebel representatives agreed to stay in the Swiss city through Friday and that a U.N. team would continue “technical” discussions with them in hopes of firming up a blueprint for a political transition in Syria.

Obama administration officials and Mr. de Mistura have for months said a “political transition” — as called for under a U.N. Security Council resolution — is “the mother of all issues” in the peace process.

But the U.N. envoy acknowledged a long-standing “gap” between the two sides: The High Negotiations Committee wants no role for Mr. Assad in any transitional government, and Mr. Assad’s envoys to the peace talks have proposed a “broad-based government.”

The committee’s chief negotiator, Mohammed Alloush, said the fragile cease-fire that started in late February “has effectively been ended by the regime.”

He said government forces carried out 70 air raids Sunday.

Mr. Alloush also said the Russian government has continued to supply Syrian soldiers with weaponry, while Iran — the Assad regime’s other main backer in the war — has sent in two new fighting groups to help reinforce the Syrian military.

“All this intervention gives a clear indication that the solution in Syria, with the presence of this regime, has become shut — or we have hit a wall,” Mr. Alloush told The Associated Press on Monday.

In a telephone interview with The Associated Press, Khaled al-Nasser, a member of the opposition group the Syrian National Coalition who is in close contact with the High Negotiations Committee, said “there is no intention to boycott the talks. We will not be responsible for the collapse of the negotiations. The regime will be.”

Opposition fighters said they were carrying out their offensives in response to Syrian military attacks against refugee camps and residential areas.

In addition to the rebel advances in Latakia and around Hama, different rebel factions shared videos of their fighters lobbing rockets at government positions in the Jabal al-Akrad area, close to the rebel-held northwestern province of Idlib.

The Britain-based Syrian Observatory for Human Rights confirmed that the rebels had seized control of at least two areas and said al Qaeda’s branch in Syria, the Nusra Front, was also taking part in the fighting. Neither the Nusra Front nor the Islamic State group was included in the cease-fire.

Even before Monday’s developments, some analysts were warning about the dangerous associated with a cease-fire meltdown.

“The situation now risks a rapid unraveling and a spiral of renewed violence from which it could take years to find a new deal-making track,” said Julien Barnes-Dacey, a senior policy fellow with the European Council on Foreign Relations.

“Both sides have partly used the cease-fire to regroup and resupply and with U.S. officials touting a possible military ‘Plan B’ if the cease-fire collapses, Syria could be set for a new round of devastating escalation,” Mr. Barnes-Dacey wrote in an analysis that the council published Friday.

The U.S. Props Up Syria’s Sham Cease-Fire

[Washington Post](#), April 19, 2016

THE SYRIAN cease-fire has achieved diplomatic zombie status: It is dead but lives on in the otherworldly rhetoric of its promoters, headed by the Obama administration. Heavy fighting has resumed in several parts of the country, including south of Aleppo, in the coastal province of Latakia and in the suburbs of Damascus. Humanitarian aid deliveries have virtually ceased. Airstrikes killed dozens of civilians in two rebel-held towns in Idlib province on Tuesday.

In Geneva, the head of the opposition's delegation said it would not return to U.N.-sponsored peace talks until the government stopped its attacks and allowed aid convoys to enter besieged areas.

The U.S. response to this renewed carnage has been to point out, weakly, that not every part of Syria has returned to all-out war. "More Syrian people are living better lives as a result of the cessation than they were before," State Department spokesman John Kirby declared Monday. Unfortunately, such rhetoric appears to be all the United States has to offer. Since President Obama refuses to take steps such as creating a safe zone for refugees or stepping up aid to the rebels, the United States lacks leverage over the regime of Bashar al-Assad and its Russian and Iranian allies.

The Assad regime breached the cease-fire from its inception in late February. It has continued to assault strategic territory in the Damascus suburbs and around Aleppo, which is split between opposition and government-controlled areas. It has blocked humanitarian convoys and stripped some of those it has allowed of vital medical equipment, in direct violation of U.N. Security Council Resolution 2254, which set the terms for the cease-fire. U.N. officials reported last week that there had been only four aid operations this month and that less than 1 percent of besieged civilians had been supplied.

In Geneva, the regime's negotiators have flatly rejected the Security Council's terms for a settlement, which begin with the creation of a transitional government. In Damascus, the prime minister brazenly announced that preparations were underway "with our Russian partners" to "liberate" the rebel-held side of Aleppo, which would require a major new offensive and months of bloody fighting. Russia, which portrays itself as the United States' co-sponsor of the cease-fire, has done nothing to rein in the regime. On the contrary, its planes continue to back up government forces near Aleppo, weeks after the "withdrawal" ostentatiously staged by Vladimir Putin.

The White House reported Monday that Mr. Obama had spoken to Mr. Putin by telephone about the unraveling cease-fire. A statement suggested he covered all the bases, including "the importance of pressing the Syrian regime to halt its offensive attacks against the opposition," the urgency of humanitarian access and the need for progress toward a political solution. But there was no indication that Mr. Putin was given any incentive to respond cooperatively, other than an appeal to his goodwill. If that's the case, the cease-fire will remain a zombie.

New Rules Allow More Civilian Casualties In Air War Against ISIL

By Tom Vanden Brook

[USA Today](#), April 19, 2016

WASHINGTON — The Pentagon has approved airstrikes that risk more civilian casualties in order to destroy Islamic State targets as part of its increasingly aggressive fight against the militant group in Iraq and Syria, according to interviews with military officials and data.

Since last fall, the Pentagon has delegated more authority to the commander of the war, Army Lt. Gen. Sean MacFarland, to approve targets when there is the risk that civilians could be killed. Previously, authority for missions with the potential to kill innocents had been made by the higher headquarters of U.S. Central Command. Seeking approval from above takes time, and targets of fleeting opportunity can be missed.

Six Defense Department officials, all speaking on condition of anonymity because they were not authorized to describe how Islamic State targets are selected and attacked, described a sliding scale of probable civilian casualties based on the value of the target and the location. For example, a strike with the potential to wound or kill several civilians would be permitted if it prevented ISIL fighters from causing greater harm.

Before the change, there were some limited cases in which civilian casualties were allowed, the officials said. Now, however, there are several targeting areas in which the probability of 10 civilian casualties are permitted. Those areas shift depending on the time, location of the targets and the value of destroying them, the officials said.

The riskiest missions require White House approval, said one official, who is closely involved with current targeting plans.

David Deptula, a retired three-star Air Force general who led its intelligence and surveillance efforts, said easing the restrictions was a necessary but insufficient step toward defeating the Islamic State, or ISIL.

"The gradualistic, painfully slow, incremental efforts of the current administration undercut the principals of modern warfare, and harken back to the approach followed by the Johnson administration," said Deptula, who now leads the Mitchell Institute for Aerospace Studies.

The officials all say commanders go to great lengths to avoid killing innocents. They attack at night, for example, when buildings are less likely to be occupied. They select bombs that spew fewer deadly fragments and direct laser-guided bombs away from targets when civilians stray too close to ground zero. Military lawyers oversee operations to ensure laws of war are followed.

The increased tolerance for civilian casualties dovetails with the revised strategy Defense Secretary Ash Carter announced in October — the focus on recapturing Ramadi, Iraq, mounting more raids to capture or kill ISIL leaders and adding pressure to Raqqa, Syria, the capital of ISIL's self-proclaimed state.

Lt. Gen. Sean MacFarland, as a colonel in Iraq in 2007, commands U.S. forces against ISIL. (Photo: U.S. Army)

Among the issues commanders consider before attacking is the target's "non-combatant value." A value of zero means it can be hit with no chance of civilians being killed — think of an ISIL machine gun emplacement in the desert.

The value rises in urban areas such as Ramadi, which Iraqi forces, backed by U.S.-led airpower, seized from ISIL in late December. Pockets of Ramadi and other areas of intense fighting have had non-combatant values of 10 or more, meaning that attacking them carries the probability of 10 civilian deaths, said the most senior of the six Defense officials. The area could be as small as a city block and permission to hit it could last for a matter of hours.

MacFarland, who took command in September, has also focused on ISIL's source of income and stores of cash — oil infrastructure and banks. Black-market oil had been a key source of illicit income need to finance its operations and pay fighters. Civilians work on oil rigs or visit banks, forcing commanders to weigh the strategic value of destroying them with the probability that civilians will be killed.

Military planners can mitigate the risk by dropping leaflets, as they did last fall, warning drivers of tankers with illicit oil to flee before blowing them up. A bank could be struck at night, with the least-lethal bomb, at an angle that minimizes damage to nearby buildings, the senior official said.

The more aggressive approach has been reflected in the bombing statistics released by the Pentagon.

In November, pilots in the U.S.-led coalition had dropped 3,227 bombs in Iraq and Syria, a record number for a single month and more than twice as many as they had used in November 2014. Since then, the totals for bombs dropped per month eclipsed the previous year. In March, pilots dropped 1,982 bombs compared with 1,685 in March 2015, an 18% increase.

Although the military acknowledges publicly that its airstrikes have killed or wounded 26 civilians by accident, two officials, one currently involved in targeting and one former senior officer, say more innocent civilians may have died from the more than 40,000 bombs that have been dropped since the war began in August 2014.

By destroying nearly 6,000 buildings with bombs since the war began it's a virtual certainty that the civilian toll is higher than 26, said a senior Defense official who is briefed daily on the war's developments. Even if it is 10 times higher, the official said, it would be exceptionally low and reflects the U.S. military's commitment to protecting the innocent.

Central Command, which oversees the war, investigates reports of civilian casualties. Claims, even tweets, are matched against missions flown to determine if coalition aircraft had conducted bombing runs nearby. Video

from drones and other aircraft track every bomb dropped, one of the six Defense officials said. If the report is deemed credible, investigators assess whether strikes comply with the laws of war and that proper precautions were taken.

One such incident occurred on July 4, 2015, near Raqqa, Syria. Airstrikes destroyed 16 bridges there. A bomb also killed a civilian driving a tractor trailer.

Civilian deaths caused by Iraqi military operations, which occur jointly with the American-led bombing effort, are not counted, the senior official said.

In more than 15 years of bombing Afghanistan and Iraq, the Obama administration has put a premium on avoiding civilian casualties. The laws of war, military professionalism and the American public's aversion to killing innocents demand care and precision. Also, destroying the lives and property of non-combatants is considered self-defeating when the protection of local civilians is a priority.

White House Press Secretary Josh Earnest said President Obama is "justifiably proud of the great lengths we've gone to to avoid civilian casualties — certainly greater lengths than our adversaries in this conflict."

The White House, Earnest said, is still working on a promised report on civilian casualties.

Airstrikes are considered deliberate or dynamic. A deliberate strike can be planned for — a bank in Mosul for example. With time, commanders can choose the best time and weapon to minimize chances civilians will be harmed. Commanders, one official with experience in targeting said, are in a rush to get it right — not just to strike. No civilians were hurt or killed in the more than 100 tons of explosives dropped over two months of fighting, the senior official said.

A complicating factor for commanders is the urgency of the time-sensitive mission, also known as a dynamic target. For example, an ISIL militant attacking Iraqi troops from a rooftop machine gun nest in Ramadi is a legitimate, dynamic target. Commanders must judge if killing him puts residents on lower floors at risk of injury or death.

Soon after bombing extended to Syria in September 2014, commanders had pinpointed the seven buildings in Raqqa that ISIL used for headquarters, said a recently retired senior officer involved in targeting. The buildings, legitimate military targets, were deemed off limits because they were too close to civilians to be destroyed without wounding or killing innocent bystanders, the former officer said.

Targeters pore over hours of video from spy aircraft of potential bomb sites to determine when civilians are least likely to be nearby, the former officer said. Determining the "pattern of life" at the target can trigger the decision to bomb or not to bomb.

ISIL leaders have complicated targeting by flying their black flags over residential buildings, inviting airstrikes so that they can blame the U.S.-led coalition for killing civilians, the senior official said.

The vast majority of strikes in Iraq and Syria belong in the dynamic category. It's difficult to determine if innocent civilians have been trapped in buildings damaged or destroyed in dynamic strikes, the senior official said.

The calculation for civilian casualties changes based on the strategic value of a target and the local population's sensitivity to foreign military presence, said the recently retired officer said.

During the surge in Iraq beginning in 2007, the non-combatant value for some targets was as high as 26 people, said the former officer. In Afghanistan, during the surge of troops there in 2010, the value was nine.

Contributing: Gregory Korte

Iraqi Police Find 2 Mass Graves In Islamic State-free Ramadi

By Sinan Salaheddin

[Associated Press](#), April 19, 2016

BAGHDAD (AP) — Iraqi police on Tuesday unearthed two mass graves in the western city of Ramadi, with bodies of about 40 people killed by Islamic State militants during the militant Sunni group's reign of terror in the city, officials said.

The officials said IS militants who were captured and arrested after Iraqi forces routed the extremists from the Anbar provincial capital led authorities to the site of the mass graves, inside the city's soccer stadium.

Bodies of women and children were among those found in the two graves, along with bodies of men in civilian clothes, said the officials, speaking on condition of anonymity because they were not authorized to talk to reporters.

Ramadi, the provincial capital of Anbar, fell to IS in May, a major setback for U.S.-allied Iraqi forces at the time. It was liberated in December.

There have been many instances of mass graves being uncovered in territory wrested from IS militants in Iraq and Syria — thousands of people have been killed in summary and extrajudicial killings by the Sunni militants and the graves have been a dark testimony to the group's brutality.

In June 2014, some 1,700 Iraqi soldiers were captured and then killed by IS militants when they overran Saddam Hussein's hometown of Tikrit. At the time, the soldiers were trying to flee from Camp Speicher, a nearby army base where they were deployed. Mass graves with hundreds of Iraqi soldiers' bodies were found after the city was liberated in April 2015.

In December, the U.N. human rights office in Iraq said it received reports of 16 mass graves discovered near the town of Sinjar after it was liberated from the Islamic State group the previous month.

Among the first mass graves uncovered in Sinjar — within days of IS forces being pushed out of the town — was one near the town's center that has been estimated to contain

the bodies of 78 elderly women, and another, about 15 kilometers (10 miles) outside of Sinjar, with between 50 and 60 bodies of men, women and children.

The U.N. uses the term mass grave to refer to a location where three or more victims of what the world body defines as extra-judicial, summary or arbitrary executions are buried — not those who have been killed in combat, attacks such as bombings or armed confrontation.

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Replica Of Palmyra Arch Is Unveiled In Trafalgar Square

By Christopher D. Shea

[New York Times](#), April 20, 2016

LONDON — A landmark Roman arch that was destroyed by Islamic State fighters in Palmyra, Syria, stood proudly once again on Tuesday, this time as a replica built from digital models that was installed in Trafalgar Square in London.

To create the roughly 20-foot-tall marble replica, which weighs around 11 tons, researchers built a 3-D computer model of the arch by compiling dozens of photographs taken by archaeologists and tourists in Palmyra before the Islamic State moved in. Robots in Italy then used the computer model to carve the marble replica.

Mayor Boris Johnson of London unveiled the piece on Tuesday, as crowds gathered in the square and on the steps leading to the National Gallery.

Video Recreating an Arch Razed by ISIS

Near the marble quarries of Carrara, Italy, a machine uses a 3-D computer model to carve a scale replica of an ancient Roman arch destroyed by the Islamic State in Palmyra, Syria.

"Syria's future depends on the conservation and protection of Syria's past," Mr. Johnson said. Calling the Islamic State's actions in the Middle East "savagery" and "nihilistic," he said that the celebration was "in solidarity with the people of Syria" and in "defiance of the barbarians" who destroyed the original arch.

After the unveiling, a trio of musicians played traditional Mesopotamian music on replicas of ancient instruments.

The replica arch was built as part of a project by the Institute for Digital Archaeology, a joint initiative that works with Oxford, Harvard and the Museum of the Future in Dubai, the United Arab Emirates, to draw attention to the destruction of cultural artifacts across the world, and to rebuild some pieces.

Islamic State fighters, who occupied Palmyra for nearly a year beginning in May 2015, ransacked landmarks across the city, a Unesco World Heritage site. Late last month, the

Syrian Army announced that it had recaptured the city from Islamic State fighters.

Crews pieced together the replica arch on Monday, and it will be displayed in front of the National Gallery through Thursday. It will appear in New York City in September and will also travel to Dubai, a spokeswoman for the archaeology institute said. Continue reading the main story

Deadly Attacks In Afghan Capital Show Taliban's Strength

By Rahim Faiez

[Associated Press](#), April 19, 2016

KABUL, Afghanistan (AP) – A week after proclaiming their spring offensive, Taliban militants stormed an Afghan government security agency with a suicide car bomb and gunfire Tuesday, killing 28 people and wounding hundreds in a sign of the insurgency's continued strength – even in the capital.

The coordinated attack in central Kabul appeared to have targeted an agency that provides an elite security force for high-ranking government officials, similar to the U.S. Secret Service.

The blast “was one of the most powerful explosions I have ever heard in my life,” said police Cmdr. Obaidullah Tarakhail, who was nearby and couldn't see or hear anything for 20 minutes afterward.

“All around was dark and covered with thick smoke and dust,” he said.

Taliban spokesman Zabihullah Mujahid claimed responsibility for the attack. On April 12, the insurgents announced the start of their warm weather fighting season, vowing to carry out large-scale attacks in the 15th year of their war against the U.S.-backed government.

The Taliban has remained resilient as the government struggles to confront the violence amid a bitter feud between President Ashraf Ghani and the country's chief executive, Abdullah Abdullah.

Two militants carried out the assault, said Interior Ministry spokesman Sediq Sediqqi. One attacker drove the small truck packed with explosives that caused the initial blast, and he was followed by the second assailant who entered the compound in the chaotic aftermath and opened fire before being killed by security forces, the spokesman added.

“With no doubt, there was a security vacuum, and that needs to be investigated,” Sediqqi said, refusing to comment further.

The bomb heavily damaged buildings and vehicles, he said, noting that the death toll of 28 could rise. At least 327 wounded were brought to hospitals, said Ismail Kawasi, a spokesman for the Public Health Ministry.

Abdullah went to the scene and strongly condemned “this act of brutality.”

“The government raised the call for peace, but unfortunately the answer by the enemy was fighting, violence, bloodshed, killing innocent people,” he said.

After the Taliban began its spring offensive, Abdullah said, “the brave security forces of our country defeated them, and they had many casualties, so today by carrying out such an attack, they wanted to get revenge.”

He postponed an upcoming visit to Pakistan because of the attack, said his spokesman, Jawed Faisal.

The U.N. Assistance Mission in Afghanistan also condemned the violence.

“This attack shows the devastation caused by the use of explosive devices in urban areas and once more demonstrates complete disregard for the lives of Afghan civilians,” said Tadamichi Yamamoto, the secretary-general's deputy special representative for Afghanistan. “The use of high explosives in civilian populated areas, in circumstances almost certain to cause immense suffering to civilians, may amount to war crimes.”

Gen. John W. Nicholson, the commander of international forces in the country, said it demonstrated that “the insurgents are unable to meet Afghan forces on the battlefield and must resort to these terrorist attacks.”

Ghani also condemned the attack, saying it “clearly shows the enemy's defeat in face-to-face battle with Afghan security forces,” a reference to the military successes against the extremists in the northern part of the country.

Political analyst Haroun Mir said the violence highlighted the inability of the security forces to prevent such a large assault in the heart of the capital, underscoring the depth of the political disarray in the government.

“This shows the weakness of the Afghan security forces that comes out as a result of political problems between both leaders,” Mir said. “It is a big question how a truck full of explosive could make it inside Kabul ... very close to the presidential palace.”

The bitterness and division in the government stems from a belief in Abdullah's camp that the 2014 election was stolen and given to Ghani because he was seen by Washington as someone with whom it could more easily do business.

In the Taliban's announcement about its spring offensive, the militant group said it would use different tactics to put added pressure on the government, Mir said.

The bloodshed came four days after another Taliban attack in northern Kunduz province that was beaten back by Afghan security forces.

Officials said security has improved in the city of Kunduz and that the Taliban were defeated in other parts of the province, but operations were still underway to clear militant fighters from the rest of the region.

The Taliban held Kunduz for three days last year before being driven out by a two-week counteroffensive aided by U.S. airstrikes. It was their biggest foray into an urban area since 2001.

U.S. and NATO forces formally ended their combat mission at the end of 2014, shifting instead to a training and advisory role while continuing to carry out counterterrorism operations.

There are 9,800 U.S. forces on the ground in Afghanistan, and that number is set to fall to 5,500 next year.

Associated Press writers Amir Shah and Karim Sharifi contributed to this report.

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Taliban Send Message With Deadly Kabul Attack As Fighting Season Begins

By Mujib Mashal And Ahmad Shakib

[New York Times](#), April 19, 2016

KABUL, Afghanistan — Even in a year when violence across Afghanistan did not relent over the winter months, the Taliban marked the official start of the spring fighting season with a massive truck bomb in the heart of Kabul on Tuesday.

Beyond the all-too-familiar carnage — at least 30 dead and more than 300 wounded — it also sent a message: The Taliban can attack the capital at will, and they have no intention of engaging in peace talks despite reports of internal rifts.

The location of the bombing, near the compound of an elite force that provides protection to senior Afghan officials, also demonstrated how vulnerable the government remains.

The Taliban have stretched Afghan security forces thin throughout the country, with fighting raging across multiple provinces. But complex urban attacks remain crucial to the insurgency because they bring what even major battlefield gains in remote areas of the country cannot: headlines, and a disruption of daily life that increases pressure on a coalition government already struggling with infighting and stagnation.

Security forces in Kabul have been on high alert since the Taliban announced their annual spring offensive last week, amid reports that suicide bombers had entered the city and were planning attacks.

As is often the case, most of the casualties in Tuesday's assault were civilians, Afghan officials said. The United Nations, which recently said civilians had continued to

suffer at record levels in the first quarter of this year, issued a strong denunciation of the attack.

"The use of high explosives in civilian populated areas, in circumstances almost certain to cause immense suffering to civilians, may amount to war crimes," said Tadamichi Yamamoto, the secretary general's deputy special representative for Afghanistan.

The Taliban's urban attacks follow a similar pattern: After a vehicle-borne explosion creates chaos, militants with weapons and suicide vests storm their target and engage the police or special forces.

Sediq Sediqqi, a spokesman for the Afghan Interior Ministry, said that on Tuesday a truck full of "probably hundreds of kilograms of explosives" had been detonated in a parking lot behind the compound of the Directorate of Security for Dignitaries. Mr. Sediqqi described the area destroyed as "vast." (The explosion was so strong that it rattled windows across the city, including those at the presidential palace.)

Police officials said that a number of militants then entered the compound, engaging the guards and the police special forces who arrived to clear the area. But Gen. Abdul Rahman Rahimi, Kabul's police chief, said that just one militant had entered the compound, and that he had been gunned down in less than half an hour.

Mr. Sediqqi said that 30 people, mostly civilians, were killed in the explosion, while health officials reported that 327 wounded had arrived at city hospitals. The number of casualties was expected to rise, Mr. Sediqqi said.

A spokesman for the Taliban, Zabihullah Mujahid, issued a statement claiming responsibility for the attack.

President Ashraf Ghani, who visited the wounded in hospitals on Tuesday, accused the Taliban of working for the enemies of his country. "Afghanistan remembers the day you had whips in your hands, killing people," he said. "We will avenge every drop of the Afghan blood that is shed."

Eyewitnesses described the mayhem after the attack, which took place during the early morning rush. One of the wounded, Sadiqullah, 25, said more than a dozen vehicles near him had been badly damaged, and their drivers and passengers injured or killed.

"I saw people lying on the road hopelessly — some screaming, others silently giving out their last breath and some already dead," he said.

Mr. Sadiqullah, who runs a tea shop and who like many Afghans goes by one name, said the blast was "so strong that I felt it struck me or my shop personally."

On a visit to the site of the attack, Abdullah Abdullah, the chief executive of the Afghan government, said it showed "the depth of barbarity and terror of Afghanistan's enemies." He said the country's defense and security forces had remained on alert because the Taliban had clearly rejected "our calls for peace."

For much of the winter, the struggling coalition government tried to get the Taliban to participate in peace talks, in the hopes of avoiding another bloody year. At the heart of the effort was reaching out to the government and powerful military of Pakistan, elements of which are believed to be aiding the Taliban and providing its leadership with sanctuaries on Pakistani soil.

The outreach, which also involved the United States and China, created early optimism. A date for face-to-face talks was set for early March, with Pakistan promising to deliver Taliban leaders to the table.

But the Taliban rejected the talks, instead starting the spring offensive and intensifying attacks across the country. It became clear that the new leader of the insurgent movement, Mullah Akhtar Muhammad Mansour, had no interest in discussions. He had used the winter months to consolidate his ranks, through a mix of brutal crackdowns on dissent and doling out new posts to discontented members of the group.

To protest Tuesday's attack, Mr. Abdullah's office said he would postpone a trip to Pakistan, believing that the attack was planned on its soil.

Follow Mujib Mashal on Twitter @MujMash.

Taliban Assault Kills 28, Wounds 300 In Kabul

By Jane Onyanga-Omara And John Bacon

[USA Today](#), April 19, 2016

Explosions and gunfire ripped through the Afghan capital of Kabul on Tuesday as the Taliban spring offensive's most brutal assault yet left dozens dead and wounded hundreds more.

The United Nations special representative for Afghanistan said the attack "may amount to war crimes."

The streets were bustling during morning rush when a suicide bomber detonated a vehicle laden with explosives near the compound of a government secret service unit whose role is to protect VIPs, Kabul police chief Abdul Rahman Rahimi said. Militants then rushed into the building, sparking a gunfight with security forces that lasted more than two hours, local broadcaster TOLONews reported.

At least 28 people were killed and more than 300 wounded, Rahimi said. He added that most of the victims were civilians, including women and children, and that many of the wounded were in critical condition.

Interior Ministry spokesman Sediq Sediqqi said at least one of the attackers was killed in a gun battle, the Associated Press reported.

President Ashraf Ghani condemned the attack, which started about 9 a.m. local time. Atta Mohammad Noor, the acting governor of northern Balkh province, encouraged residents to launch a massive public uprising against the Taliban, Pajhwok news service reported.

Taliban spokesman Zabihullah Mujahid claimed responsibility for the assault. The Taliban has stepped up

attacks since announcing the start of its spring offensive dubbed "Operation Omari" a week ago. Taliban founder Mullah Mohammad Omar is believed to have died of illness in 2013. The terror group didn't acknowledge his death until last year.

Tadamichi Yamamoto, the secretary-general's deputy special representative for Afghanistan, said the attack demonstrated the Taliban's "complete disregard for the lives of Afghan civilians."

He also said the attack, "in circumstances almost certain to cause immense suffering to civilians," might be considered a war crime.

Police commander Obaidullah Tarakhail told AP he couldn't hear or see for 20 minutes after the initial blast.

"This was one of the most powerful explosions I have ever heard," he said. "All around was dark and covered with thick smoke and dust."

The U.S. Embassy in Kabul condemned the "senseless act of violence" that it said underscores the brutality of the Taliban.

"Afghanistan deserves peace and security, not attacks that victimize parents taking their children to school, workers on their morning commute, and people who have stepped forward to help defend their fellow citizens," the embassy said in a statement.

Gen. John Nicholson, the commander of NATO's Resolute Support mission in Afghanistan, also condemned the attack, saying it "shows the insurgents are unable to meet Afghan forces on the battlefield and must resort to these terrorist attacks."

"Resolute Support expresses its deepest condolences to those affected by this contemptible act of violence. We will continue to assist our Afghan partners in achieving a sustainable peace as well as security for the people of Afghanistan," he added.

Taliban Strikes In Heart Of Kabul In Deadly Attack On Elite Agency

By Tim Craig And Sayed Salahuddin

[Washington Post](#), April 19, 2016

KABUL — The suicide blast tore open the gates of the compound. One worker inside saw a shower of glass shards and jagged pieces of the explosive-rigged truck.

Then seconds later Tuesday — as an ash-gray cloud rose over Kabul — Taliban gunmen opened fire on Afghanistan's equivalent of the Secret Service. For three hours, a gun battle raged even as some agents were trapped under collapsed walls and ceilings.

Just a week earlier, the Taliban vowed to escalate attacks as the Afghan weather warms.

The militants now appeared to have followed through with the warnings in a shattering tally: at least 28 people

killed, more than 325 injured and authorities left struggling over how Taliban attackers outwitted security patrols to carry out one of the most devastating attacks in Kabul in years.

The target — the main training ground for an Afghan intelligence unit tasked with protecting senior officials — represented a direct strike against the Western-aided government as it takes the lead role in the fight against the Islamist militants.

The raid also was a message that the reach of Taliban fighters — and their ability to stage major coordinated attacks — appears undimmed despite rifts within the militant group's ranks and pressures from the rival Islamic State as it seeks to expand its influence in Afghanistan.

For leaders in Kabul, meanwhile, it may shatter for now any hope of reviving stalled peace talks with the Taliban, and puts President Ashraf Ghani under growing pressure from rivals over his efforts to reach out to the Islamist insurgent group.

The attack ended several weeks of relative calm in the Afghan capital. It began when a suicide bomber detonated a truck packed with explosives next to the security compound, said Kabul police spokesman Basir Mujahid. The blast was so powerful that it shattered windows and cracked building facades up to two miles away.

After the explosion shredded part of the compound, at least one gunman entered the facility, touching off a three-hour gun battle less than a mile from the presidential palace and the Ministry of Defense in a densely populated part of the city.

One gunman was killed, said Sediq Sediqqi, a spokesman for the Interior Ministry. Full details about the number of attackers and their tactics, however, remained unclear as the investigation unfolded.

"No doubt there was a security vacuum, and that needs to be investigated. It is too early to comment on that right now," he told reporters.

The Taliban claimed responsibility, even as the casualties were still being counted.

Ghani quickly condemned the attack, saying in a statement that it was a sign that insurgents cannot defeat Afghan forces in a "face-to-face battle."

The Health Ministry said at least 327 people were wounded, many of them civilian passersby. Mujahid, the police spokesman, said by phone that "the death toll is between 28 and 30."

One worker at the intelligence agency, who goes by the single name Mehrabuddin, said he was resting on a bed when the truck bomb exploded.

"I rushed out of the room and was hit by debris, bricks, shrapnel and flying glass in the yard of the compound," he said at Wazir Akbar Khan hospital, where he was treated for injuries to his head and stomach.

He said about 50 officers were studying in a room where the ceiling caved in from the explosion.

"I do not know what happened to them," he added.

A truck of the International Committee of the Red Cross later brought medical assistance to the hospital. Volunteers rushed to donate blood.

The Taliban announced the start of its spring offensive last Tuesday. Fighting has since flared around the northern city of Kunduz, Afghanistan's fifth-largest city, but Kabul had remained relatively quiet.

Kunduz fell briefly to the Taliban in September. That marked the biggest setback to Ghani's government since forces led by the North Atlantic Treaty Organization ceased their combat operations in Afghanistan at the end of 2014.

The coming months are seen as a critical test of the Taliban's strength and unity.

In last week's announcement, the Taliban vowed to carry out "large-scale" attacks as the weather warms. Such pronouncements have been made nearly every year since the Taliban was driven from power in Kabul by Afghan resistance forces and U.S. airstrikes in 2001.

While the Taliban now faces new challenges, it also has potential openings to expand recent gains.

The group has been wracked by internal splits after the public acknowledgment last year of the death of its longtime leader, Mohammad Omar. Some factions favored exploring peace efforts with the Afghan government. Others, though, called for bolstered offensives to regain territory and counter moves by the Islamic State to find new footholds in Afghanistan.

Meanwhile, the U.S.-led coalition withdrew all but 13,500 troops last year, leaving the Afghan military at the forefront of the fight against the militants. The Taliban, in turn, has made steady gains in southern, eastern and northern Afghanistan.

Tuesday's attack in Kabul was a stinging blow to Afghan forces amid efforts to enhance security in the capital after a string of high-profile Taliban incursions. In November 2014, militants carried out back-to-back suicide blasts, including one in a Kabul district that houses many embassies and foreign compounds.

In a statement Tuesday, the United Nations called on the Taliban to stop attacks in civilian areas.

"The use of high explosives in civilian populated areas, in circumstances almost certain to cause immense suffering to civilians, may amount to war crimes," said Tadamichi Yamamoto, the secretary general's deputy special representative for Afghanistan.

The U.S. military's top commander in Afghanistan, Gen. John W. Nicholson, portrayed the attack as a sign of the insurgents' "weakness."

"Today's attack shows the insurgents are unable to meet Afghan forces on the battlefield and must resort to these terrorist attacks," Nicholson said in a statement.

Daniela Deane in London and Brian Murphy in Washington contributed to this report.

Not Even Kabul Is Safe From The Taliban

[The New Yorker](#), April 19, 2016

A trio of true believers from the Taliban blew themselves up in downtown Kabul today, leaving behind the sort of macabre tableau that much of the world has become sadly used to: writhing bodies, severed limbs, wailing mothers. At least thirty people died in the attack, and more than three hundred people were maimed and wounded. But here's a question worth posing, even now—indeed, especially now, in the fifteenth year of the American war in Afghanistan. What on Earth could the Taliban's commanders hope to gain from such an act of mass murder, in which many, if not most, of the victims were civilians?

There was a time, not long ago, when Kabul was extremely safe, even as the war raged in the countryside. The city had a restaurant, called Le Atmosphere, that served passable French food, an Italian restaurant called Boccaccio, and an outdoor Lebanese restaurant called Taverna du Liban. There was also a fabulous hotel, owned by an Afghan and Western couple, called the Gandamak. Expats working in Kabul—and there were hundreds, if not thousands—stayed out late to party.

The festive if artificial scene prevailed largely because the Afghans who ran the National Security Directorate, or N.D.S., had made the city largely impenetrable to the Taliban. The N.D.S. was assisted by the U.S. military, but even at the height of the fighting out in the countryside you rarely saw American soldiers in Kabul. There were occasional attacks inside the city, like the bloody assault on the American Embassy in 2011, but those were the exception. (In this respect, the war in Afghanistan resembled the American war in Vietnam, which was also a rural war, more than the war in Iraq, which was an urban conflict from the start.)

Now Kabul increasingly resembles the rest of Afghanistan. With the attack that unfolded on Tuesday, the Taliban demonstrated, among other things, how easy it has become for them to get inside the city. The building that was struck was run by the N.D.S., which oversees much of the security in the capital. As a result of the recent increase in violence, the mood in Kabul has changed dramatically. All those restaurants, as well as the Gandamak, are closed; the Taverna du Liban was destroyed in a suicide attack. In their place are checkpoints and blast walls.

So—to get back to our question—what does the Taliban hope to gain by such an attack? The obvious answer is that the Taliban wants to show ordinary Afghans how weak their government is, that it cannot protect them. The Taliban

definitely scored on that front. In a statement posted online, the group claimed that, because civilians are prohibited from going near the N.D.S. building, none were killed. But news reports indicated that many of the victims were, in fact, civilians; the truck bomb that was set off by the first bomber went off near a bus stop.

My own sense is that the Taliban leaders who planned the attack aren't especially concerned about the deaths of a handful, or even dozens, of ordinary Afghans, as long as the assault helps make their larger point. Despite their claims to the contrary, the Taliban's leaders have never been especially worried about civilians; according to a comprehensive survey released this week by the United Nations, of the two thousand Afghan civilians killed or wounded by fighting last year, approximately sixty per cent of the casualties could be attributed to the Taliban.

What conclusions should we draw on our own, apart from the message the Taliban was trying to send? The obvious one, it seems to me, is that the chances for a negotiated peace with the Taliban, which the U.S. and the Afghan government have been pursuing, is utterly remote. In the past two years, Taliban fighters have made extraordinary advances against the Western-backed government in Kabul, taking cities in the north and in Helmand Province, in the south, among others. The attack on Tuesday underscores their willingness, and their ability, to strike the very heart of the capital. Under such circumstances, why would the Taliban ever sit down with the government in Kabul and make a deal? At this point, in the spring of 2016, events are proceeding exactly how they want them to.

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Dozens Killed, Hundreds Wounded In Massive Taliban Attack In Kabul

By Paul D. Shinkman

[US News & World Report](#), April 19, 2016

At least 28 people were killed and more than 300 wounded in an apparent Taliban suicide bombing on a federal agency in Kabul tasked with protecting senior officials, marking one of the worst insurgent attacks in the war-torn country in years and casting further doubts on the central government's ability to provide security.

A massive explosion rocked the capital city early Tuesday, with security officials reporting a vehicle-borne improvised explosive device struck the Afghan Intelligence Ministry's National Directorate of Security in the Pul-e-Mahmood Khan neighborhood, according to local news organization Khaama. A spokesman for the directorate said

the facility was not the target of the attack, but rather the attacker detonated the explosives nearby.

A group of armed militants entered the compound and engaged in a heavy gunfight with government security forces, according to The Associated Press. Local media reports a special operations soldier killed at least one of the attackers.

The Taliban claimed credit for the attack and said it was carried out by members of its group.

Afghanistan's CEO, Abdullah Abdullah, the government's No. 2 who shares power with President Ashraf Ghani, called the attack "off-cast, cursed, hated and anathematized."

"Today's attack in Kabul signals the losses, weakness and defeats of the terrorists in battlefields against our heroic security forces," Abdullah said in a statement.

But despite his calls for national political unity, the Taliban is anything but weakening on the battlefield. The last two years, amid the U.S. withdrawal from its longest war, have seen the insurgent network step up attacks and fall back into control over areas in the north and south it historically controlled. American commanders there have expressed concern that the usual lull in fighting that occurs during the winter months were instead marked by an uptick in Taliban violence.

Pakistan issued a rebuke of Tuesday's attack shortly afterward.

"We extend our heartfelt sympathies and condolences to those who have lost their loved ones and pray for the early recovery of the injured," its embassy in Kabul said in a statement, according to Afghan news agency Pajhwok. "Pakistan condemns terrorism in all forms and manifestations and expresses solidarity with the government and brotherly people of Afghanistan in their hour of grief and struggle against terrorism."

Islamabad has come under criticism for not doing more to combat Taliban strongholds in its northern tribal regions that border Afghanistan and to root out Taliban sympathizers within its security services.

Taliban Attacks Government Security Office In Kabul; Dozens Dead And Over 300 Wounded

By Hamid Shalizi And Josh Smith

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Taliban Suicide Attack In Kabul Renews Debate On Afghanistan Troop Cuts

By Carlo Munoz, Guy Taylor

[Washington Times](#), April 19, 2016

A devastating Taliban suicide attack that killed at least 28 people and wounded more than 300 others Tuesday in the heart of Kabul has sent concerns soaring that Afghanistan's struggling security forces will be overmatched in the summer fighting season, which many believe will be among the bloodiest on record.

Tuesday's attacks, the worst carried out by the Taliban in the Afghan capital since at least 2011, also sent shock waves through the debate among officials at the Pentagon and lawmakers on Capitol Hill over President Obama's plan to cut the roughly 10,000 U.S. troops in Afghanistan to some 5,000 by the time he leaves office early next year.

Two militants carried out the assault, Interior Ministry spokesman Sediq Sediqqi told The Associated Press. One attacker drove the small truck packed with explosives that caused the initial blast, and he was followed by the second assailant, who entered the compound in the chaotic aftermath and opened fire before being killed by security forces, the spokesman added.

"With no doubt, there was a security vacuum, and that needs to be investigated," Mr. Sediqqi said in Kabul.

The White House said Tuesday that it was too early to tell what "impact this attack would have on our military posture going forward," while the State Department said Washington remained committed to its programs in support of the 170,000-troop Afghan National Security Forces.

"Attacks like these today only deepen and underscore our support for the people and the government of Afghanistan and its efforts to bring security and stability to their country," said State Department spokesman John Kirby.

U.S. Army Gen. John Nicholson, the commander of all NATO forces in Afghanistan, said the spectacular attack showed desperation on the part of the Taliban.

"The insurgents are unable to meet Afghan forces on the battlefield and must resort to these terrorist attacks," Gen. Nicholson said in a statement.

Taliban take credit

Taliban spokesman Zabihullah Mujahid claimed responsibility for the attack that appeared to target members of the Afghan government's intelligence wing — officially called the National Directorate of Security.

The minibus was detonated outside the front gate of an NDS unit known as "Department 10," which is located near the U.S. Embassy in downtown Kabul and provides security for government officials and Afghan dignitaries. U.S. officials said no Americans were killed in the assault.

Most of the victims of the minibus attack were reportedly Afghan civilians. It was not immediately clear how many Afghan National Security Forces soldiers died in the gunbattle after the blast.

Michael O'Hanlon, a senior national security analyst with The Brookings Institution in Washington, said Tuesday's

attacks were a sign that the Taliban may be taking the gloves off for this year's spring offensive.

"So far the Taliban have used such huge attacks with some restraint," Mr. O'Hanlon said, "so this could be a sign of changing tactics or even a sign of desperation in some ways."

In its latest threat assessment on Afghanistan, the Institute for the Study of War, a Washington think tank, warned that Afghan security forces are simply "unprepared to counter the Taliban militants' summer campaign."

Taliban commanders are looking to exploit "readiness gaps" within the Afghan ranks with "increased insider attacks, assassination campaigns, and attacks against Western and diplomatic targets in Kabul City and beyond," the April 12 assessment said.

Some analysts scoffed at Gen. Nicholson's claim of Taliban weakness.

"It's utterly absurd that he could say something like that," said Bill Roggio, an editor of the Long War Journal at the Foundation for Defense of Democracies in Washington. "He's either lying through his teeth or he has zero situational awareness of what's going on in his theater of operations."

The reality, according to Mr. Roggio, is that the Taliban are already engaging Afghan forces on multiple battlefields in Afghanistan — from the south, where the insurgents control nearly half of Helmand province, to the north, where they launched a coordinated offensive against Afghan forces last week.

The Long War Journal estimated Tuesday that the Taliban presently control or strongly contests more than 80 of Afghanistan's 400-plus districts.

"What the Taliban is doing is pressing the Afghan security forces on multiple fronts, and the Afghan forces don't have the numbers or the capability to handle it," Mr. Roggio said in an interview. Tuesday's strike was a "clear Taliban calling card, telling Afghan forces, 'We're coming, we're still a viable threat to the Afghan government, and we can hit anywhere.'"

But Mr. O'Hanlon noted that attacks such as Tuesday's strike are "hard to prevent reliably."

"I would not hold this too sternly against the ANSF," he said.

Military aid

Despite reports of dangerously high attrition rates in Afghan security forces, Secretary of State John F. Kerry sought to cast a positive light on the Afghan forces during a visit to Kabul earlier this month.

A State Department fact sheet listed a range of American military equipment that has recently been integrated into the ANSF, including 14 MD-530 attack helicopters and eight A-29 attack aircraft. The department said an additional 14 MD-530s, to be delivered during the coming three months, "will further enhance the operational capabilities of the Afghan Air Force."

On a separate front, Tuesday's strike represented a new blow to a peace process between the Taliban and the Afghan government — something the Obama administration and regional powers such as Pakistan and China have been trying to bring about for years.

Analysts say the Taliban, rebounding from a transition battle with the death of longtime leader Mullah Omar in 2013, have stepped up its battle tempo in the past year. Last September, Taliban forces overran the provincial capital of Kunduz in northern Afghanistan, holding it for several days until Afghan ground forces and NATO fighters took back the city. It was the first major Afghan city to fall to the Taliban since the 2001 U.S.-led invasion.

In early April Gen. Nicholson suggested during an interview with Reuters that a renewed alliance between the Taliban and resurgent al Qaeda terrorist cells in Afghanistan could delay the Obama administration's plan for drawing down the remaining U.S. forces in the nation. The four-star general, who took up the top NATO post in Afghanistan earlier this year, is expected to provide his recommendations for the U.S. mission in Afghanistan to the White House and Congress this summer.

Efforts by Islamic State to gain a foothold in eastern Afghanistan could also force Washington to keep a U.S. military presence in the country, although U.S. commanders have recently claimed that the group's presence in the nation has been reduced by targeted American airstrikes.

While American and NATO forces have officially been in a noncombat role in Afghanistan since December 2014, U.S. warplanes have been conducting routine airstrikes against suspected Islamic State targets along the Afghan-Pakistan border.

Early this year, Gen. John Campbell, the former head of U.S. and NATO forces in Afghanistan, recommended to the White House that Western forces resume regular airstrikes against the Taliban and other extremist groups.

Kabul Attack Highlights American Failure: Column

By Alicia Shepard

[USA Today](#), April 19, 2016

Just before going to bed Monday night, Samim Hakim read on social media that a huge truck bomb had exploded in Kabul, the city he left only weeks ago. In a panic, he got on Viber to text his family back home.

For 45 tense minutes, he waited in Sacramento to learn his sister's fate in the attack that killed at least 28 people and seriously injured more than 300. His sister lives near the Afghan security headquarters for VIPs where the explosion detonated during Tuesday morning's rush hour. She was safe.

It's springtime in Kabul. Samim wasn't surprised there was an explosion. Springtime means the kickoff of the Taliban's fighting season. Attacks are expected. Even so, the enormity of this one rattled him.

"I'm very far away and can't get an instant response," said Samim, who arrived last month on an immigrant visa to make America his home. "It's hard for me to wait. At first, I thought it was just another explosion but when I read about the casualties and number killed, I got really worried."

"Just another explosion." I, too, saw the news alert on my phone and initially shrugged. After two years of working in Kabul, where I met Samim, I have become (sadly, almost embarrassingly) inured to the Taliban's violent attacks on innocent people.

Explosions and suicide bombers are so common — especially in Kabul — that after being reassured family and friends are OK, most Afghans get right back to work, though they always take a moment to thank Allah for protecting their family and pray for those not spared.

It's a sad commentary on what has become of Afghanistan that explosions instigated by the Taliban are ho-hum. These reactions posted Tuesday on Facebook are typical: "Same \$\$\$*. Same enemy. Different day." Or: "Sad, angry, grieving."

But this Kabul attack, for which the Taliban claimed credit, stands out because the numbers killed make it the deadliest since 2011. Obaidullah Tarakhail, a police commander who was close to the explosion, said it was one of the most powerful he had ever heard. For 20 minutes, he couldn't see or hear anything, he told the Associated Press.

After this lethal blast, or any attack for that matter, there's an obvious question: Why are American troops still in Afghanistan?

The U.S. has spent more than \$65 billion to beef up the Afghan police and security forces. Yet Afghanistan isn't safer. In fact, it's getting more dangerous. With all the money America has invested, Afghan forces still aren't able to protect their country.

According to the United Nations, Taliban insurgents have spread to more parts of the country than any time since 2001, when U.S. troops first went into Afghanistan and routed the group from power.

What are U.S. troops accomplishing if the Taliban is growing stronger?

POLICING THE USA: A look at race, justice, media

It would seem obvious that the 9,800 American troops still there, a fraction of the number fighting at the height of the war, should pack up and go home.

As tiny as that number seems, however, it would be devastating to the Afghan people for the Americans to leave.

In October, when President Obama announced intentions for the current troop level to remain until early 2017, one could hear a collective sigh of relief from the

Afghan people and from the U.S. Embassy. Obama might have reneged on his promise to end the war in Afghanistan before leaving office, but Afghans don't care.

"The U.S. being there is definitely helping," Samim said. "If the U.S. is not there, imagine what would happen besides suicide attacks and explosions? It wouldn't just be the Taliban and Daesh (ISIL) fighting in my country, it would also be warlords and other insurgents trying to take power. The U.S. there, at least, helps to make my country more stable."

If the American troops were to leave, the Taliban would almost assuredly win — rewinding the clock to 2001, when Afghanistan under the Taliban harbored Osama bin Laden and al-Qaeda.

The only conceivable way out is to aggressively try to make peace with the Taliban. But if it were that simple, we'd be doing it.

Over and over, Afghans told me they take huge comfort in having the American government, its might and financial support as their partners. The troops might not be large in number, but their presence is psychologically powerful. After spending billions and billions on security and development for 15 years, it's too early for the Americans to leave. And it's too late.

Alicia Shepard, a former NPR ombudsman, recently spent two years in Kabul working with Afghan journalists and the U.S. Agency for International Development. Follow her on Twitter: @Ombudsman.

NATO And Russia To Meet, But Grievances Remain

By Robin Emmott

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Obama Facing Both Distrustful And Dependent Saudis

[CBS News](#), April 19, 2016

DUBAI, United Arab Emirates- When President Barack Obama arrives in the Saudi capital on Wednesday, he'll face an increasingly assertive leadership still heavily dependent on U.S. weapons and military might that nonetheless has little trust in him and essentially believes it's been thrown a curveball.

The president is expected to push Saudi Arabia, the world's top oil exporter and biggest buyer of American-made arms, and other Gulf allies for greater cooperation and military backing in the fight against the Islamic State of Iraq and Syria (ISIS.)

But Washington is also concerned about mounting civilian casualties and the expansion of al Qaeda's active

branch in Yemen amid the chaos spread by the Saudi-led war there, as well as Saudi Arabia and Iran's aggressive foreign policy stances that are exacerbating sectarian bloodshed across the Middle East.

Another messy, unspoken hurdle to trudge past is Obama's recent comments to *The Atlantic* magazine, in which he said Saudi Arabia and its nemesis Iran need to "share the neighborhood" rather than expect the United States to use its military power to settle scores on behalf of its Gulf allies. In the interview, Obama also described Gulf countries, among others, as "free riders" that show "an unwillingness to put any skin in the game" when it comes to their own regional security.

When asked to respond, Saudi Foreign Minister Adel al-Jubeir told reporters in Riyadh he wouldn't comment on statements attributed to the president in magazines, but asserted that the kingdom evaluates its relationship with the U.S. based on Washington's commitment to promises made.

In a rare open letter to Obama, a prominent Saudi prince explained his view of the Obama administration's commitment to the kingdom. Prince Turki Al-Faisal, who once headed the kingdom's intelligence agency, wrote in response to *The Atlantic* interview that the president had given King Salman assurances in Washington last September on the need to counter Iran's "destabilizing activities," but "now, you throw us a curveball."

He rejected Obama's characterization of Saudis as "free riders" before asking Obama if he had "pivoted to Iran so much" that he'd equated Saudi Arabia's long-standing friendship with the U.S. to Iran's leadership.

Even before the interview, Saudi leaders were frustrated with the Obama administration for securing a nuclear agreement with Iran that lifted U.N. sanctions against the Shiite-led country and opened it up to business with the West.

Fahad Nazer, a senior political analyst at JTG Inc. and a former political analyst at the Saudi Embassy in Washington, said Prince Turki's letter, published in Saudi newspapers, was "the tip of the iceberg." There have been at least a dozen major opinion pieces in mainstream Saudi papers also expressing disappointment and dismay at what the president said.

"Most of the opinion pieces obviously do not view Obama's foreign policy in the region favorably," Nazer said. "One of the themes many of them emphasized is that he's abandoned the United States' traditional leadership role in the region and left it to others."

While Saudi Arabia, the United Arab Emirates and other Gulf states are part of the U.S.-led coalition carrying out airstrikes against ISIS in Iraq and Syria, Riyadh is unlikely to immediately offer greater support for the U.S.-led campaign without guarantees that this effort goes hand-in hand with the

removal of Syrian President Bashar Assad, who is heavily backed by Russia and Iran.

The U.S. president is facing pressure at home to come up with a more assertive, coherent strategy to defeating the ISIS group, or the effort risks becoming a "grinding failure for our nation," wrote chairman of the Armed Services Committee Senator John McCain in a letter last week to Defense Secretary Ash Carter.

On Wednesday, Obama is scheduled to hold bilateral talks with Saudi King Salman and on Thursday attend a summit of Gulf leaders that includes Saudi Arabia, the UAE, Qatar, Kuwait, Oman and Bahrain. It will be Obama's fourth visit to the kingdom since taking office.

While both the U.S. and Saudi Arabia see the ISIS group as a security threat, the Saudis view Syria as the centerpiece of the region's upheaval and will stress to the Obama administration that so long as Assad remains in power, the ISIS threat will be there, said Nazer, the JTG analyst.

Another major difference, according to analysts, is that while Saudi Arabia sees Iran's backing of Shiite militias in Lebanon, Yemen, Iraq and Syria as the root cause of regional stability, the Saudis sense that the Obama administration still hopes Iran can play a constructive role in the Middle East, especially in pushing back the ISIS group.

Despite these differences, the U.S.-Saudi relationship remains very profitable. The Gulf states are major buyers of American-made military aircraft and other equipment, and they routinely carry out joint military exercises with U.S. troops. Bruce Riedel, a senior fellow at the Brookings Institute, notes the Obama administration has sold a whopping \$95 billion in arms to Saudi Arabia.

Stephen McInerney, executive director of the Washington-based Project on Middle East Democracy, said because the U.S. defense industry "is to a quite significant degree subsidized by the Saudi relationship," it makes it difficult for American officials to confront the Saudis on other issues of concern, including human rights and their espousal of an ultraconservative form of Sunni Islam known as Wahhabism.

The kingdom also remains the United States' second-biggest foreign oil supplier, delivering an average of about 1 million barrels a day.

Despite strong military and business ties, Mustafa Alani, the director of the security and defense department at the Gulf Research Center in Geneva, said Obama will be met by a Saudi leadership that has little faith in him and is already thinking about the next American president.

"They've had enough of empty promises. ... He cannot repair it at the eleventh hour," Alani said.

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5 Issues Vexing U.S.-Saudi Relations As Obama Visits

By Oren Dorell

[USA Today](#), April 19, 2016

President Obama arrives in Saudi Arabia Wednesday to attend a security summit amid rising tensions with the wealthy sheikdom.

White House spokesman Josh Earnest said Saudi Arabia is an important partner in U.S. efforts to resolve the Syrian conflict and counter Islamic State militants, al-Qaeda in Yemen and Iran's bad behavior in the region.

Here are five issues that cause friction between the United States and Saudi Arabia:

The 9/11 terror attacks

The White House on Tuesday all but threatened to veto a bill in Congress that would allow a lawsuit to proceed against the Saudi government for any role it may have played in Sept. 11, 2001, terror attacks.

Obama has said such a lawsuit would open the door to a multitude of lawsuits against U.S. officials and members of the military working abroad.

Family members of 9/11 victims in a letter Tuesday blasted Obama for his stance. "It is not acceptable ... to succumb to the demands of a foreign government that we abandon principles of American justice," the letter said, according to the Associated Press.

Saudi Arabia threatened to sell up to \$750 billion worth of U.S. assets if Congress passes the bill. Such a move would jeopardize "the stability of the global financial system," Earnest has said.

Complicating the matter is a new push to declassify 28 pages of the 9/11 report in 2002 by the Senate and House intelligence committees that have not been made public and allegedly support the main theme of the lawsuit.

The papers describe the role of Saudi wealth in the spread of radical clerics who preached the ideology of al-Qaeda. Current and former members of Congress are calling for the pages to be declassified and released.

Syrian cease-fire and peace talks near collapse

Indirect peace talks in Geneva between the Russian-backed Syrian government and the U.S.- and Saudi-backed Syrian opposition teetered on the brink of collapse Tuesday, along with a partial cease-fire on the ground.

Secretary of State John Kerry said when the cease-fire was announced in February that it would create an opportunity to negotiate a political transition for Syria. If it failed, Kerry said the U.S. would consider a "Plan B" for Syria and warned "this could get a lot uglier."

Now that seems to be happening, the Saudis are likely to press Obama to provide more support for the Syrian rebels. But Obama will likely be more interested in talking

about Saudi assistance to fight the Islamic State in Iraq and Syria.

Yemen civil war

Talks on ending the Yemen civil war set to take place Monday failed to happen. The Iran-backed Houthi rebels refused to attend, citing heavy fighting and Saudi-led airstrikes.

The fighting has caused 6,400 deaths and forced some 2.8 million people from their homes, according to the United Nations.

Saudi Arabia seeks to prevent Yemen, on its southern border, from becoming a base for Iran, which it accuses of supplying arms to the Houthis. The Islamic State and al-Qaeda are both active in Yemen, and the U.S. wants Saudi help to fight them.

Resurgent Iran

Saudi Arabia views Iran as a long-time enemy and a rival for influence in the region. The two nations support opposite sides in Syria, Yemen and Iraq.

Obama has welcomed the recently lifted nuclear sanctions against Iran, saying economic development and increased interaction with the West creates opportunities for working on shared goals. Arab Gulf states, however, worry that Iran's ongoing missile tests are a sign it has not abandoned its nuclear weapon ambitions.

Despite U.S. assurances to the contrary, the Saudis and other Persian Gulf monarchies worry that Iran is becoming more assertive with U.S. approval.

Iran has sent military advisers and Shiite militias to support the Syrian government. Iran also backs the Houthis in Yemen and other insurgencies and opposition groups in Bahrain and Saudi Arabia.

Low oil prices

Saudi Arabia's economy is hurting from low prices on its main export, as talks with oil-producing countries to limit production ended Sunday without an agreement.

The Saudis refused to cut production so long as Iran did not agree to limit its own growth. The U.S., whose fracking boom also contributed to the global oil glut, is not party to the talks.

Low oil prices caused the U.S. oil sector to cut 250,000 jobs in the past two years, but the White House says it's not concerned. Earnest said Monday that a conversation about the impact of low oil prices on the U.S. economy is preferable to a conversation on the alternative.

Contributing: Gregory Korte

Obama's Mideast Mission: Get Saudis, Iran To Make Nice

President to encourage Mideast stability through better relations between Saudi Arabia and Iran, but America is seen as part of the problem

By Carol E. Lee And Margherita Stancati

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Obama Went From Condemning Saudis For Abuses To Arming Them To The Teeth

By Zaid Jilani Alex Emmons

[Intercept](#), April 19, 2016

In the 2002 speech against the Iraq War that helped propel him to the presidency, then-State Senator Barack Obama denounced not just the looming invasion of Iraq, but also human rights abuses by our “so-called allies” in Saudi Arabia:

Let’s fight to make sure our so-called allies in the Middle East, the Saudis and the Egyptians, stop oppressing their own people, and suppressing dissent, and tolerating corruption and inequality, and mismanaging their economies so that their youth grow up without education, without prospects, without hope, the ready recruits of terrorist cells.

And he spoke out against the U.S.’s role as weapons supplier to the world:

Let’s fight to make sure... that the arms merchants in our own country stop feeding the countless wars that rage across the globe.

Thirteen years later, Obama is making his fourth trip to Riyadh, having presided over record-breaking U.S. arms sales Saudi Arabia while offering only muted criticism of the kingdom’s human rights violations.

And don’t expect the president to speak up while he’s there. Obama last traveled to Saudi Arabia in January 2015, cutting short his trip to India after the passing of the former Saudi king, Abdullah ibn-Abdulaziz al-Saud. During that visit, Obama was criticized for not speaking out against the flogging of prominent Saudi blogger and dissident Raif Badawi. In 2014, Badawi was sentenced to 10 years in prison and 1,000 lashes for “insulting Islam” and “going beyond the realm of obedience,” with the first flogging session taking place weeks before Obama arrived.

In January, after a record-setting year for Saudi beheadings, Saudi authorities set off protests by executing Shia cleric and regime critic Nimr al-Nimr. U.S. response was muted. The State Department merely said the execution “risks exacerbating sectarian tensions at a time when they urgently need to be reduced” – and then fell silent on the repression of the following protests.

Last year, amazingly enough, Saudi Arabia became the head of the 47-member U.N. Human Rights Council. When a State Department spokesman was asked for his reaction, he responded: “Frankly, we would welcome it. We’re close allies.”

Obama administration officials have not offered on-the-record explanations for why Saudi human rights abuses don’t play a greater role in U.S. policy. But in the trove of documents released from former Secretary of State Hillary Clinton’s private email server, Clinton acknowledges that the U.S. government holds the Saudis to a different standard.

In one email chain, dated June 22, 2011, aide Cheryl Mills forwarded Clinton a New York Times opinion column in which Maureen Down mused that it would “have been thrilling” if Clinton, on a recent trip to Saudi Arabia, had “smacked around the barbaric Saudi men who force women to huddle under a suffocating black tarp.” Clinton asked Mills what she thought about the column and Mills remarked that “we/DOS/USG may have different standards w apply when it is pushing Saudi.” “No doubt about that!” Clinton responded:

Obama’s visit this week will be taking place in the shadow of an ongoing U.S.-supplied, Saudi-led campaign in Yemen, where Saudi airstrikes have killed thousands of civilians.

Since the Saudi coalition began its campaign last March, it has relied on U.S.-produced aircraft, “smart bombs,” guided missiles, and internationally banned cluster bombs. A recent report from Human Rights Watch, for instance, found evidence that the coalition used American bombs in a March 15 attack on a market in northwestern Yemen where nearly a hundred civilians were killed.

According to a new poll released earlier this month, 82 percent of Yemenis between the ages of 18 to 24 now view the United States as an enemy.

On Wednesday, Senator Chris Murphy, D-Conn., and Senator Rand Paul, R-Ky., introduced a bill blocking arms transfers unless the State Department certifies that Saudi military is taking every “feasible precaution to reduce the risk of harm to civilians.”

But arms sales in general – and specifically to Saudi Arabia – have been a consistent element of Obama’s tenure.

“Many Americans would be surprised to learn that his administration has brokered more arms deals than any administration of the past 70 years, Republican or Democratic,” said William Hartung, a senior advisor to Secure Assistance Monitor, a progressive group that tracks arms sales.

The primary vehicle for international arms transfers is the Pentagon’s Foreign Military Sales (FMS) program; in 2015, the FMS program hit a record high of \$46.6 billion.

The Saudis have been major clients. “During the first six years of the Obama administration, the United States entered into agreements to sell over \$190 billion in weapons and training to Saudi Arabia. And in 2015, the administration announced its intention to sell another \$22 billion to the Kingdom, parts of which have yet to be embedded in formal agreements,” Hartung said.

To put that in context, in his first five years as president, Obama sold \$30 billion more weapons than President Bush did during his entire eight years as commander-in-chief.

Murphy expressed hopes that Obama would press the Saudi king on his conduct in Yemen. "Right now, the Saudi's focus on Yemen is distracting them from the war against violent extremists," Murphy said in a statement emailed to The Intercept. "And personally, I hope President Obama takes this opportunity to have a frank discussion with Saudi Arabia about their continued backing for religious and educational institutions around the world that promote sectarianism and intolerance."

But many activists are losing hope that the U.S. relationship with Saudi Arabia will change.

"The reality is the U.S. foreign policy establishment including the State Department and Pentagon are happy with the Saudi relationship," said Stephen McNerney, executive director of the Project On Middle East Democracy. "In order to change course, meaningfully, it would take real leadership and investment in doing so, and President Obama — although his instincts might be that the Saudis are problematic in a number of ways — he hasn't shown any serious desire to bring about a change of policy."

Top Photo: Saudi King Salman meets President Obama in January 2015.

Related:

Saudi Threat To Sell US Assets Could Hurt, But Mostly The Saudis

By Binyamin Appelbaum

[New York Times](#), April 19, 2016

WASHINGTON — If Saudi Arabia follows through on its recent threat to sell off its investments in the United States, the financial maneuver could be painful — mostly for Saudi Arabia.

The kingdom has pumped some of its oil profits into the United States, acquiring billions of dollars in Treasury securities and investments that include a giant oil refinery in Port Arthur, Tex., and a \$10 million stake in an Arkansas company that makes industrial lubricants.

All of that could be sold off if Congress passes a bill allowing Saudi Arabia to be held responsible in American courts for any role in the Sept. 11, 2001, attacks, the Saudi government warned last week.

Such a fire sale might roil financial markets or cause problems for companies that lost funding, but experts say it is hard to imagine a significant or lasting impact on the American economy. Global investors continue to shovel money into the United States; if the Saudis go, the experts say, others will take their place.

"The world is desperate to lend money to anybody that's credible at very low rates, so I don't see this as an issue

at all," said Michael Pettis, a finance professor at Peking University who says that foreign divestment — by China or other nations — poses little threat to the American economy.

However, a sell-off could be self-defeating for Saudi Arabia. The Port Arthur refinery highlights the cost of pulling back.

The refinery is owned by Motiva Enterprises, a joint venture between Royal Dutch Shell and Saudi Aramco, the state-owned oil giant. Aramco has a long history of investing in the United States, in part to facilitate the sale of Saudi oil to American consumers. Last month, Aramco announced a deal to take full ownership of the refinery, along with a network of 26 distribution terminals and the rights to sell fuel under the Shell brand name across a large swath of the United States, including Texas.

The Saudis might be able to sell the refinery, but they would lose a strategic investment.

"For a producer that big, you have to be in every market in the world to place your oil," said Elizabeth Rosenberg, director of the Energy, Economics and Security Program at the Center for a New American Security.

Aramco also invests in technologies, including the \$10 million stake in NanoMech in Arkansas, announced last week, and part ownership of at least eight other small American companies.

There is no comprehensive public accounting of the Saudi government's investments in the United States, although American officials say \$750 billion is a plausible figure.

And the single largest chunk of that money is probably invested in Treasury securities.

The Treasury Department says a group of 15 "oil-exporting" nations including Saudi Arabia held a total of \$281 billion in Treasuries in February, deposited either in the United States or in one of the 15 countries. That number may actually understate the Saudi government's holdings, however, because it does not include Treasury debt the kingdom may have deposited in other countries like Switzerland.

Regardless, it is clear that Saudi Arabia's holdings are only a small share of the roughly \$14 trillion in Treasury securities not held by the federal government. There's little doubt the Saudis could sell all of it, gradually, without causing a ripple in the market, experts say.

Foreign central banks last year reduced total holdings of Treasuries by \$225 billion, and the markets didn't even burp. About \$502 billion in Treasuries changed hands on the average trading day in March, according to the Securities Industry and Financial Markets Association.

"I would guess that any reserve manager would be able to find a way to sell this amount in under a year without much of a ripple," said Stephen G. Cecchetti, a professor of international economics at Brandeis University.

The Saudis could roil markets by offering discounts and selling quickly. But again, they would suffer most from such a sale.

Their departure from the Treasury market would tend to put upward pressure on interest rates. Fewer buyers for the same pool of assets makes sellers try harder, and rates on Treasuries serve as a benchmark for a wide range of other borrowing costs. But the Federal Reserve could calibrate its management of interest rates to take account of those effects, essentially insulating the domestic economy.

Louis Crandall, chief economist at the research firm Wrightson ICAP, described the likely consequences as “lots of short-term technical impacts, depending on how fast they did it, rather than fundamental problems.” He noted that large movements in foreign Treasury holdings had become a fact of life for the Treasury market.

Saudi Arabia already is selling foreign assets. The Saudi Arabian Monetary Authority has sharply reduced its foreign holdings to help offset declining oil revenues. The authority reported holdings of foreign securities worth \$395 billion as of February, the most recent data available. That reflects a sharp decline from the end of 2014, when the holdings were valued at \$533 billion.

The share of Treasuries held by foreign investors has climbed sharply over the last few decades, leading some experts to caution that any flagging of foreign appetites could increase borrowing costs both for the federal government and for American consumers and businesses.

There is little danger from Treasury sales by a specific country, so long as foreign demand in aggregate remains strong. A broader sell-off could be more dangerous, but those worries have ebbed. The demand for Treasuries has seemed insatiable in recent years.

Still, Francis E. Warnock, a professor at the University of Virginia and an expert on international economics, said there was a still a long-term risk.

“If the Saudis do it, others might do it as well,” Mr. Warnock said. “To me that’s the bigger issue. If we’re in a world where foreign governments think more carefully about holding U.S. assets, then we’re in a very different world.”

Influential Saudi Prince Wields New Power At King’s Side

Mohammad bin Salman, 30, emerges as face of change in kingdom, holding economy and defense portfolios

By Margherita Stancati

[Wall Street Journal](#), April 19, 2016

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Obama’s Rendezvous In Riyadh

How to repair the damage to the U.S.-Arab alliance.

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Obama Shouldn’t Trade Cluster Bombs For Saudi Arabia’s Friendship

By William D. Hartung

[New York Times](#), April 19, 2016

When President Obama visits Saudi Arabia this week for a meeting with representatives from the Gulf Cooperation Council countries, he should avoid doing what he did at Camp David last May, the last time he met with them: promise more arms sales. Since Mr. Obama hosted that meeting, the United States has offered over \$33 billion in weaponry to its Persian Gulf allies, with the bulk of it going to Saudi Arabia. The results have been deadly.

The Saudi-American arms deals are a continuation of a booming business that has developed between Washington and Riyadh during the Obama years. In the first six years of the Obama administration, the United States entered into agreements to transfer nearly \$50 billion in weaponry to Saudi Arabia, with tens of billions of dollars of additional offers in the pipeline.

The Pentagon claims that these arms transfers to Saudi Arabia “improve the security of an important partner which has been and continues to be an important force for political stability and economic progress in the Middle East.” Recent Saudi actions suggest otherwise.

A prime example of what’s wrong with unbridled American weapons transfers to the Saudi government is the Saudi-led war in Yemen. According to the United Nations, more than 3,200 civilians have been killed since Saudi bombing began last March. A majority of these deaths have been a result of airstrikes, many of which have been carried out with aircraft, bombs and missiles supplied by the United States and Britain, including United States-supplied cluster bombs.

The use of cluster bombs is of particular concern. These munitions are banned by an international treaty — a treaty that neither the United States nor Saudi Arabia has signed. The United States also provides logistical support to the Royal Saudi Air Force for its airstrikes in Yemen.

The Obama administration says that it has urged restraint from the Saudis, but that doesn’t appear to have worked. Human Rights Watch has reported that two Saudi strikes on a market in the Yemeni village of Mastaba in mid-March killed at least 97 civilians, including 25 children. This was just one in a series of Saudi strikes on marketplaces, hospitals and other civilian targets, attacks that Human Rights Watch and Amnesty International have said may constitute war crimes.

But American arms transfers to Saudi Arabia are questionable not only on human rights grounds. They also have negative strategic consequences. The Saudi-led incursion against Houthi rebels in Yemen has opened the way for jihadist groups to gain territory and influence. Al Qaeda in the Arabian Peninsula is now firmly entrenched in the Yemeni city of Mukalla and has reportedly used its position there to raise over \$100 million by looting banks and charging fees for the use of the local port.

Mr. Obama seems to understand that uncritical support for the Saudis will only make the security situation in the Middle East worse. In an interview with Jeffrey Goldberg of *The Atlantic*, the president acknowledged that competition between Saudi Arabia and Iran “has helped to feed proxy wars and chaos in Syria and Iraq and Yemen,” and he said that Riyadh and Tehran should “share the neighborhood and institute some sort of cold peace.” This isn’t going to happen if billions of dollars worth of American arms continue to flow to Saudi Arabia with no effective conditions on how they are used.

One justification that has been put forward for the continued flow of weaponry from the United States to Saudi Arabia is that it provides reassurance to the kingdom’s leadership that Washington won’t tilt toward the Iranians in the wake of the deal reached last year over Iran’s nuclear program. But if demonstrating a commitment to the Saudi government entails supporting deadly and reckless initiatives, like the war in Yemen, the policy is not worth the price.

Another reason the arms deals with Saudi Arabia keep coming is that they are a bonanza for American arms makers that need foreign markets to make up for a leveling off of Pentagon procurement. But domestic economic concerns should not be allowed to override American security interests in the Middle East.

Senator Chris Murphy, Democrat of Connecticut, and Senator Rand Paul, Republican of Kentucky, have introduced legislation that would stop transfers of air-to-ground munitions to Saudi Arabia until the kingdom focuses its efforts in Yemen on attacking terrorist organizations and takes “all feasible precautions to reduce the risk of harm to civilians and civilian infrastructure.” This is a good start.

Mr. Obama should also use his trip to press King Salman to adhere to a newly imposed cease-fire in Yemen and agree to permanently end his country’s indiscriminate bombing there as part of United Nations peace talks. And the president should make clear that transfers of bombs and missiles to the kingdom will stop until King Salman does so. That should be the first step in a much-needed re-evaluation of the security implications of open-ended arms sales to Saudi Arabia.

William D. Hartung is the director of the Arms and Security Project at the Center for International Policy and a senior adviser to the Security Assistance Monitor.

White House Backs Biden On Criticism Of Israel

By Dave Boyer

[Washington Times](#), April 19, 2016

The White House supported Vice President Joseph R. Biden’s criticism of Israel Tuesday, agreeing with Mr. Biden that the administration is frustrated with the lack of progress toward a two-state solution.

“There certainly is frustration with both sides that we have encountered,” said White House press secretary Josh Earnest. “The inability to make that progress is frustrating.”

Mr. Biden on Monday described “overwhelming frustration” with the Israeli government, and said the expansion of Jewish settlements was moving Israel in the wrong direction instead of toward a solution with the Palestinian Authority.

“We have an overwhelming obligation, notwithstanding our sometimes overwhelming frustration with the Israeli government, to push them as hard as we can toward what they know in their gut is the only ultimate solution, a two-state solution, while at the same time be an absolute guarantor of their security,” Mr. Biden said.

White House Defends Biden’s Israel Remarks

By Nick Gass

[Politico](#), April 19, 2016

The White House pushed back Tuesday at the notion that comments from Vice President Joe Biden blasting the Israeli government the previous night represented an attempt to vilify the Middle Eastern ally. Such remarks, press secretary Josh Earnest argued, are part of a strong relationship between allies.

“Well I would vigorously disagree with that description of what Vice President Biden said,” press secretary Josh Earnest said in response to a question from Fox News’ Peter Doocy.

In a speech to the left-leaning J Street on Monday night in Washington, Biden said the Israeli government at times causes “overwhelming frustration.”

“The present course Israel’s on is not one that’s likely to secure its existence as a Jewish, democratic state— and we have to make sure that happens,” Biden said at the gathering.

Noting that Biden traveled to Israel last month, Earnest added that during the vice president’s first trip to the country in 2009, Prime Minister Benjamin Netanyahu indicated “unprecedented” cooperation on security matters.

“So, I think what is also true is when you have a strong relationship with your allies, you can also comfortably disagree in public. And there are areas of disagreement as a matter of policy between our two countries,” Earnest said. “And we certainly have gone to great lengths to try to resolve those differences.”

One of those examples: Netanyahu's March 2015 address to a joint session of Congress, a visit by the Israeli that underscored tensions with the current administration.

"Prime Minister Netanyahu himself has not hesitated to make his own differences with the Obama administration public on, in some ways the largest stage imaginable, which is addressing a joint session of Congress," Earnest said. "So, I think that's an indication of the fact that our two nations, and even the leaders of our nations can disagree on some critically important policy issues in a way that doesn't undermine the fundamentals of our alliance and the importance of our security cooperation."

Earnest also dismissed the issue of Biden's timing, after it was pointed out that the comments came hours after the bombing of a bus in Jerusalem that local authorities called a terrorist attack.

"Our policy differences do not in any way overshadow our ongoing commitment to an unbreakable alliance in a security relationship that is unwavering," Earnest said.

White House Defends Biden After Criticism Of Israeli Government

By Jordan Fabian

[The Hill](#), April 19, 2016

The White House on Tuesday defended Vice President Joe Biden, a day after he criticized the Israeli government in a major speech to a left-leaning Jewish group.

White House press secretary Josh Earnest said Biden did not make Israel out to be a villain. Instead, he was offering tough love from a strong ally.

"Well, I would vigorously disagree with that description of what Vice President Biden said," Earnest responded to a reporter who said Biden vilified Israel in his speech.

In a speech to J Street's annual gala Monday night, Biden said the government led by Prime Minister Benjamin Netanyahu has often frustrated the White House because of its unwillingness to work with the Palestinians toward a two-state solution.

"I firmly believe that the action Israel's government has taken over the past several years — the steady and systematic expansion of settlements, the legalization of outposts, land seizures — they're moving us, and more important, they're moving Israel, in the wrong direction," Biden said.

"They're moving us toward a one-state reality, and that reality is dangerous."

Earnest noted Biden recently traveled to Israel to meet with Netanyahu and is "somebody who understands the importance of the relationship between our two countries."

"I think what is also true is that when you have a strong relationship with your allies, you can also comfortably disagree in public," Earnest said.

"And there are areas of disagreement as a matter of policy between our two countries. And we certainly have gone to great length to try to resolve those differences."

While noting Netanyahu has often lauded President Obama's commitment to Israel's security, the spokesman pointed out he has not been shy about voicing his criticism of the president.

He cited Netanyahu's speech before a joint session of Congress last March, in which the Israeli leader blasted the nuclear agreement with Iran.

Biden Says Israeli Government Causes "Overwhelming Frustration" In White House

By Carol Morello

[Washington Post](#), April 19, 2016

When President Obama was elected to his first term, the liberal advocacy group J Street was in its infancy, barely a year old.

Seven years later, the self-defined "pro-Israel, pro-peace" organization has earned the gratitude of the administration for its support of the Iran nuclear deal and its lobbying for a two-state solution to the conflict between Israelis and Palestinians.

On Friday, Obama invited college student activists from J Street to meet with him in the Oval Office. And Monday night, the administration sent two heavy hitters, Vice President Joe Biden and Secretary of State John F. Kerry, to J Street's annual gala.

Their appearance before a group that has frequently criticized Israeli government policies underscored the administration's belief that political discourse on Israel can be pointed without undermining support for the Jewish state. Meanwhile, Bernie Sanders earned applause at last week's Democratic primary debate when he said Israel had a right to defend itself but called its response to terrorist attacks "disproportionate."

J Street's president, Jeremy Ben-Ami, said the appearances by Biden and Kerry reflect a broad shift underway, as politicians are expressing a wide range of opinions on the Israeli-Palestinian conflict.

"This is a watershed moment in the political currents that shape American policymaking around Israel and the Middle East," he said.

Kerry used the forum to defend the Iran deal that was vigorously opposed by Israeli Prime Minister Benjamin Netanyahu. Biden balanced blunt criticism of the Israeli government with vows that the United States will always guarantee Israel's security.

"We have an overwhelming obligation, notwithstanding our sometimes overwhelming frustration with the Israeli government, to push them as hard as we can toward what they know in their gut is the only ultimate solution, a two-state

solution, while at the same time be an absolute guarantor of their security,” Biden said.

Biden called the path to peace “shrouded” and said that when he visited the region last month he came away discouraged at the prospects for peace talks.

“There is at the moment no political will that I observed among Israelis or Palestinians to move forward with serious negotiations,” he said. “The trust that is necessary to take risks for peace is fractured on both sides.”

Biden criticized Palestinian leaders for failing to condemn terrorist acts but also singled out the “steady, systematic expansion” of Israeli settlements on land Palestinians desire for a state as a step in the wrong direction.

“They are moving toward a one-state reality, and that reality is dangerous,” Biden said.

He concluded with a grim warning: “The present course Israel’s on is not one that’s likely to secure its existence as a Jewish, democratic state — and we have to make sure that happens.”

Both Biden and Kerry thanked J Street for its support of the Iran nuclear deal, which was opposed by the Israeli government and the American Israel Public Affairs Committee, a more traditional pro-Israel lobbying group.

Kerry said that despite predictions Iran would get a windfall of as much as \$150 billion when its assets were unfrozen under the deal, Iran has received only \$3 billion since the accord was implemented in January.

And Kerry vowed to use the nine months remaining of the Obama administration to continue pursuing negotiations to end the conflict.

“We will continue to try to advance a two-state solution, the only solution,” Kerry said. “Because anything else will not be Jewish, and it will not be democratic.”

Obama has had a famously testy relationship with Netanyahu, even while the administration has provided more military aid to Israel than at any time in U.S. history. White House positions on Israel and the Middle East align more closely with those of J Street than AIPAC, a point Biden stressed when he said the group proves there is no contradiction between being progressive and pro-Israel.

The White House cautioned against reading too much into the presence of Biden and Kerry, the first sitting secretary of state to address the group.

“We certainly appreciate J Street’s support for our initiative to verifiably prevent Iran from obtaining a nuclear weapon,” said National Security Council spokesman Ned Price. “At the same time, however, we interface with other groups that didn’t offer the same support. We’re primarily interested in hearing from a variety of voices on how we can best support our Israeli ally.”

Some polls have shown a generational shift among American Jews in attitudes toward Israeli government

policies, though there is no lessening of support for Israel itself.

Lizzie Stein, a 22-year-old student at Occidental College in Los Angeles, is a regional vice president for J Street U, the campus branches of the group.

“Our views aren’t different, but we’ve had different experiences,” said Stein, who was one of eight J Street U student leaders who met with Obama last week. “I was 8 months old when [Israeli Prime Minister Yitzhak] Rabin was shot. All we’ve known is the lost hope of peace.”

Stein said there is sense of urgency among her peers.

“I’m sick of seeing pro-Palestinian and pro-Israel groups yelling past each other,” she said. “That doesn’t get us anywhere. It doesn’t change the fact we continue to have violence, and Israel would be more secure with defined borders.”

Commentary: Biden’s Untimely Assault On Israel

By Elliott Abrams

[Council On Foreign Relations](#), April 19, 2016

Yesterday, Israel was assaulted twice: once by terrorists, and once by the Vice President of the United States.

The physical attack was in Jerusalem, where a bomb injured 21 people in a bus, several of them seriously.

On the very same day, the VP addressed the group called J Street and shared with it not solidarity with Israelis under attack but—with remarkable timing—a rhetorical attack on the government of Israel.

Here is some of what he said, according to a report in The Times of Israel:

Vice President Joe Biden acknowledged “overwhelming frustration” with Israel’s government on Monday and said Prime Minister Benjamin Netanyahu’s administration has led the country in the wrong direction, in an unusually sharp rebuke of America’s closest ally in the Middle East.

“I firmly believe that the actions that Israel’s government has taken over the past the past several years — the steady and systematic expansion of settlements, the legalization of outposts, land seizures — they’re moving us and more importantly they’re moving Israel in the wrong direction,” Biden said.

He said those policies were moving Israel toward a “one-state reality” — meaning a single state for Palestinians and Israelis in which eventually, Israeli Jews will no longer be the majority.

“That reality is dangerous,” Biden added.

Put aside the exquisite timing of Biden’s remarks on a day when Israel suffered a terrorist attack, and they are still quite something. For one thing, President Obama is about to join a GCC summit in Saudi Arabia. Does Biden really think

the Arabs pay no attention to how we treat our closest friends and allies? Does he not know that they will read all of this and not gloat— but instead wonder when they will be getting the same treatment?

Then there are the facts. How do you get to a “one-state reality” when the people and government of Israel refuse it? Who will force them into it? How do you get to “systematic” expansion of settlements when just about every analyst understands that Netanyahu has been constraining many aspects of settlement growth—to the great anger of the settlers? And finally, why is Biden not familiar with the history of his own administration’s peace efforts? As Dennis Ross made clear in his most recent book, *Doomed to Succeed: The U.S.-Israel Relationship from Truman to Obama*, Netanyahu was in fact ready to take significant political risks to meet American requests—and Abbas was not. As Martin Indyk put it in July 2014,

“Netanyahu moved to the zone of possible agreement. I saw him sweating bullets to find a way to reach an agreement,” said Indyk. Abbas, for his part, did not show flexibility, Indyk added.

None of this was reflected in Biden’s remarks.

In his book, Ross wrote that “Obama believed Israel was capable of doing more on peace. And it could help change the regional realities, and our place in the region, if it would only move on the Palestinians. But what if the Palestinians were not prepared to move? What if they were not capable of moving, regardless of Israeli actions? He never seemed to ask that question.”

Neither did Biden.

Israel Says Still Wants Aqsa Cameras After Jordan Reneges

[AFP](#), April 19, 2016

Jerusalem (AFP) – Israel remains in favour of installing security cameras at the Al-Aqsa mosque compound in Jerusalem, even after Jordan reneged on the project due to Palestinian reservations, a senior official said Tuesday.

“Israel’s support for placing cameras on the Temple Mount remains unchanged. That’s because we believe in transparency,” the Israeli official told AFP on condition of anonymity, using the Jewish term for the site.

“It is regrettable that the Palestinian Authority objects to this idea. It’s clear that they don’t want repeated Palestinian provocations caught on tape,” the official said.

Jordanian Prime Minister Abdullah Nsur had on Monday announced his state would not be proceeding with its plan to install 55 cameras at the site, Islam’s third holiest, citing Palestinian “doubts about the aims of the project”.

“Because we respect the point of view of the Palestinians... we believe the project is no longer consensual,

but a potential source of conflict, and have decided to end it,” he said.

On March 20, Jordan said it would set up the security cameras around the flashpoint compound to monitor any Israeli “violations”.

The site, which is revered by Jews as their holiest, is administered by a Jordanian trust or “Waqf”.

In October, after meeting Jordan’s King Abdullah II and Palestinian president Mahmud Abbas, US Secretary of State John Kerry endorsed a plan for cameras at the site in a bid to calm repeated disturbances.

Israeli Prime Minister Benjamin Netanyahu agreed.

Kerry hailed the agreement as an important breakthrough at the time. On Monday the US State Department expressed disappointment that the plan has apparently failed.

“We still see the value in the use of cameras,” said spokesman John Kirby.

The compound in east Jerusalem, which was occupied by Israel in the 1967 Six-Day War and later annexed in a move not recognised internationally, houses the famed golden Dome of the Rock and Al-Aqsa mosque.

Clashes between Palestinian youths and Israeli security forces erupted at the compound last September amid fears among Muslims that Israel was planning to change rules governing the site which enable only Muslims to pray.

Netanyahu has repeatedly said there are no such plans.

Israeli Convicted In Murder Of Palestinian Teenager

By Isabel Kershner

[New York Times](#), April 19, 2016

JERUSALEM — An Israeli court convicted a 31-year-old man on Tuesday of abducting and murdering a Palestinian teenager in 2014, rejecting his late-hour insanity plea and bringing to a close a case that has convulsed Israelis and Palestinians.

The Jerusalem District Court ruled that the man, Yosef Haim Ben-David, had been fully responsible for his actions when he and two teenage nephews snatched Muhammad Abu Khdeir, 16, off a street near his East Jerusalem home, drove him to a forest on the outskirts of the city, choked him, beat him unconscious and burned him to death in the early hours of July 2, 2014.

Mr. Ben-David told investigators during a recorded reenactment of the crime that he had urged his young relatives, who struggled with their captive in the back of the car, to “finish him off.” Prosecutors are demanding a life sentence.

One of the teenage defendants was sentenced in February to life in prison, and the other to 21 years, after the judges determined that he had played a lesser role in the

murder. Their names have not been made public because they were 16 at the time of the crime.

The murder took place at a particularly traumatic period in Israel's recent history — a few hours after Israelis buried three teenagers who had been hitchhiking home from their yeshivas in the occupied West Bank when they were abducted, shot and killed by Palestinians. Their bodies were found in a shallow grave on a West Bank hillside after a wrenching 18-day search.

The Israeli authorities determined that Mr. Ben-David and his nephews intended to carry out a revenge attack, leading to Muhammad's death. The kidnappings and killings roiled Israeli and Palestinian emotions, touched off riots in East Jerusalem and contributed to a spiral of tensions and violence culminating in the 50-day Gaza war that ended in August 2014.

Hussein Abu Khdeir, Muhammad's father, who has closely followed the trial, attended dozens of court hearings and accused Mr. Ben-David of having faked an act of insanity, said he mistrusted the Israeli justice system because "it judges Arabs one way, and Jews another."

After the ruling on Tuesday, Mr. Abu Khdeir said he wanted "justice all the way," meaning a life sentence, no prospect of a presidential pardon and the demolition of Mr. Ben-David's family home, "exactly like they do to Arabs, so that there is democracy."

"We are tired of this," he added. "Don't ask how we feel. For the past year and nine months we haven't gone to parties. My cousin got married two weeks ago, and we didn't go. We can't go."

Waves of violence have shaken Jerusalem in the years since Muhammad's death. Tensions over a contested holy site revered by Jews as the Temple Mount and Muslims as the Al-Aqsa Mosque compound reignited rioting in Palestinian neighborhoods of East Jerusalem and contributed to a surge of stabbing and vehicular attacks by Palestinians against Israelis that spread from Jerusalem to the West Bank and cities around Israel over the past six months. On Monday more than 20 people were wounded when a bomb exploded on a bus in Jerusalem — the first bus bombing in years.

Mr. Ben-David, a resident of a West Bank settlement who ran a glasses store in Jerusalem, did not testify during his trial. Asher Ohayon, the public defender representing him, said during the trial that his client was in "a state of denial" and unable to remember his actions or to communicate.

Mr. Ben-David, who had received psychiatric treatment in the past, including for obsessive-compulsive disorder, submitted a late opinion by an American psychiatrist after the main court proceedings were over. The psychiatrist told the court that while Mr. Ben-David understood what he was doing at the time of the crime, the manic and psychotic symptoms he displayed in the past might have affected his ability to control his actions.

The prosecution argued that Mr. Ben-David had worked up until the time of the killing, including that evening, and had acted normally and rationally during and after the episode. He made sure to destroy evidence of his crime — showing that he understood that his actions were unacceptable — and later gave a coherent account of the events of that night, during the re-enactment, prosecutors said.

A government-appointed Israeli psychiatrist found that Mr. Ben-David was aware of his actions and was not psychotic at the time of the crime, and the court agreed.

In addition to murder, the court convicted Mr. Ben-David of abduction for the purpose of murder, assault, attempted arson and attempted kidnapping. Mr. Ben-David and one of his nephews had tried to kidnap an 8-year-old Palestinian boy in the same area of East Jerusalem the night before Muhammad was killed, but the boy's mother shouted and struggled with the kidnappers, and the boy got away.

"The acts the accused carried out are of the cruelest imaginable," a state prosecutor, Uri Korb, said after the ruling. "He burned the victim while he was alive, all motivated by crazed revenge."

The Jerusalem District Court also convicted on Tuesday an Israeli man, Yishai Schlissel, of premeditated murder and six counts of attempted murder for his deadly stabbing rampage at the city's gay pride parade in July, when he killed Shira Banki, a 16-year-old Jewish girl. Mr. Schlissel, an ultra-Orthodox Jew, was released from prison shortly before the march, after having served 10 years for stabbing participants in the gay pride parade in 2005.

Thousands Rally To Call For Release Of Israeli Soldier Who Shot Palestinian Assailant

By Rami Amichay

[Reuters](#), April 19, 2016

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U.S., Iran Diplomats Meet At U.N. On Sanctions, Syria

By Reuters

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Kerry, Zarif To Meet Friday To Resolve Sanctions Relief Dispute

By Kambiz Foroohar

[Bloomberg News](#), April 19, 2016

U.S. Secretary of State John Kerry and Iran's Foreign Minister Mohammad Javad Zarif agreed to meet again this

week to resolve a complaint that the Islamic Republic hasn't received its share of sanctions relief after reaching a nuclear deal with world powers.

Kerry and Zarif will talk Friday on the sidelines of a United Nations event, after almost three hours of talks on Tuesday failed to resolve differences. Iranian officials, including Zarif and Central Bank governor Valiollah Seif, have complained that world powers haven't honored their obligations under the accord, signed Jan. 16.

While the nuclear accord led to the lifting of some economic sanctions, including allowing the country to increase oil exports and reconnecting Iranian banks to the SWIFT system for international financial transactions, some U.S. restrictions remain in place. That forces companies seeking to work with Iran to navigate a complex set of regulations.

The two diplomats worked at ensuring the accord "is implemented exactly as it was meant to be and all the parties to that agreement get the benefit that they are supposed to get out of the agreement," Kerry told reporters after the meeting with Zarif at the United Nations on Tuesday. "We worked on a number of key things today and made some progress on it."

Zarif put the onus on the U.S. "The U.S. should implement its obligations so that the Islamic Republic actually benefits" from the nuclear deal.

Iran has only received about \$3 billion of previously frozen assets since the nuclear deal was implemented in January, Kerry said on Monday. The U.S. estimates Iran ultimately should have access to \$50 billion to \$55 billion, State Department spokesman John Kirby told reporters on Tuesday.

Iran says it has more at stake. It has been unable to tap as much as \$100 billion of its assets held abroad and has gotten "almost nothing" from the nuclear accord, Seif said in an interview with Bloomberg Television last week. The central bank governor said the U.S. Treasury's Office of Foreign Assets Control should issue guidelines encouraging European banks to be more receptive to Iran. Seif met Treasury Secretary Jack Lew on Thursday during the International Monetary Fund and World Bank meetings in Washington.

"One of the needs that we definitely have goes back to converting currencies to pay our suppliers," Seif said. "It requires having access to the U.S. financial system."

European banks remain wary. Several were fined for dealing with Iran when the country was under sanctions, with settlements including agreements not to deal with Tehran for a number of years. Iran wants the Office of Foreign Assets Control to rescind those deals.

French bank BNP Paribas SA agreed to pay \$8.9 billion in July 2014 for violating U.S. sanctions against Sudan, Cuba and Iran. Germany's Commerzbank AG agreed to pay \$1.45

billion for moving funds through the U.S. financial system for Sudan and Iran.

The delay in establishing regular banking relations with major European banks could hold up deals, including Iran's January agreement to buy 118 Airbus planes worth \$27 billion. The Iranian government is also campaigning to resume business with multinationals to attract investment.

European Union foreign policy chief Federica Mogherini told the Tasnim news agency in Tehran that the European bloc has been talking to the U.S. about removing hurdles impeding banks trying to work with Iran.

US And Iranian Ministers Meet Over Iran Sanctions Complaints

By Edith M. Lederer

[Associated Press](#), April 19, 2016

UNITED NATIONS (AP) – U.S. Secretary of State John Kerry and Iran's Foreign Minister Mohammad Javad Zarif met behind closed doors Tuesday following Iranian complaints that the United States isn't fulfilling last year's landmark nuclear deal and providing adequate sanctions relief.

The two ministers shook hands before the meeting at U.N. headquarters started with Kerry standing in front of the Iranian flag and Zarif before the American flag – where small signs on the floor signaled they should stand. Kerry greeted the media but neither he nor Zarif made any comments.

Zarif said Saturday that he would ask the United States to ease restrictions on non-American banks doing business with the Islamic Republic, saying it would help reassure Iranians over the nuclear deal. He said the U.S. "is required to implement its commitments in banking cooperation."

A day earlier, the head of Iran's central bank, Valiollah Seif, accused the U.S. and the European Union of failing to honor the nuclear agreement by keeping Iran locked out of the international financial system.

The White House, Treasury and the State Department have all said the United States has done what is required of it.

Yet, officials say the Obama administration is considering easing or formally clarifying financial restrictions that prevent U.S. dollars from being used in transactions that enable business with Iran. The officials have ruled out granting Iran access to the U.S. financial system or direct access to the dollar, but they have left the door open to other steps to encourage trade that is now legal under the nuclear deal.

In a speech Monday night, Kerry defended the nuclear agreement, in which Iran curbed its atomic program in exchange for sanctions relief, to the pro-Israel, pro-peace advocacy group J Street that supports the deal. But his comments may have put a price tag on Iran's anger over sanctions relief.

"Despite the skeptics' most dire predictions, we are in a place that some people thought was unimaginable and others unacceptable," Kerry said.

"Do you remember the debate over how much money Iran was going to get?," he asked.

Kerry said some presidential candidates said it was \$155 billion, which was a mistake, and others thought it would be about \$100 billion.

"We calculated it to be about \$55 billion, when you really take a hard look at the economy and what is happening," Kerry said. "Guess what, folks? You know how much they have received to date as I stand here tonight? About \$3 billion. So what we said to people was true."

Associated Press writer Matthew Lee contributed to this report from Washington

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Kerry, Zarif Meet At U.N. To Discuss Nuclear Deal's Implementation

By Farnaz Fassihi

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Exclusive: Iran Struggles To Find Enough Ships For Oil Exports

By Jonathan Saul And Parisa Hafezi

[Reuters](#), April 19, 2016

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U.S. Says North Korean Foreign Earnings At Risk Over Nuclear Tests

By Arshad Mohammed And David Brunnstrom

[Reuters](#), April 19, 2016

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North Korea's Jong Un More Aggressive Than Father: U.S. General

By Reuters

[Reuters](#), April 19, 2016

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US Sanctions Head Of Libya's Islamist-Backed Government

By Josh Lederman

[Associated Press](#), April 19, 2016

WASHINGTON (AP) – The United States imposed sanctions on Tuesday on the head of Libya's Islamist-backed government in Tripoli, accusing him of threatening stability in Libya and undermining the new U.N.-brokered unity government.

The sanctions targeting Prime Minister Khalifa Ghweil of the so-called National Salvation Government are the first under new authorities granted by President Barack Obama, who cited an "unusual and extraordinary threat" to U.S. security and foreign policy interests. The Treasury Department penalties freeze Ghweil's property in U.S. jurisdictions and bar Americans from doing business with him.

"We will oppose attempts to undermine or destabilize the Government of National Accord at this critical time," said Adam Szubin, who heads the Treasury's terrorism and financial intelligence branch.

Obama cleared the path to the sanctions earlier Tuesday with an executive order authorizing penalties against anyone deemed to be standing in the way of the unity government. The Obama administration said urgent humanitarian needs and security concerns prompted the president to seek to accelerate the peaceful transfer of power.

Libya has slid into chaos since the 2011 death of strongman Moammar Gadhafi, with two rival governments fighting for control: the Islamist-backed government in Tripoli and another government based in the east that was internationally recognized.

Western nations hope the new U.N.-backed unity government can unite the country and create the stability needed to slow the flow of migrants into Europe and take on growing threats from the Islamic State group and other extremists. IS has taken over the Libyan central city of Sirte and carried out deadly attacks in Libya, alarming signs for the U.S. as it struggles to contain the militant group within Iraq and Syria.

But talks to get the unity government up and running have been slow to make progress. European Union nations, in a bid to shore up the fledgling government, have floated moving their naval mission targeting human smugglers close to Libya to help the beleaguered country fight illegal migration.

The European Union sanctioned Ghweil and two other Libyan officials earlier in April.

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US Sanctions To Target Opponents Of UN-Backed Government In Libya

President's executive order leads to action taken against Khalifa Ghweil

By Felicia Schwartz

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

U.S. Penalizes Libyan Politician In Effort To Bolster Unity Government

By Declan Walsh

[New York Times](#), April 19, 2016

CAIRO — The United States on Tuesday imposed sanctions on a prominent Libyan politician as part of a broader Western effort to force Libya's warring factions to accept the authority of a unity government backed by the United Nations.

The Treasury Department said it was adding the politician, Khalifa al-Ghweil, the leader of a self-declared government in the capital, Tripoli, to its sanctions list and would freeze any assets he might have in the United States.

The sanctions are a boost to the new unity government, which was formed under the auspices of the United Nations in December, has strong support from Western countries that are desperate to end years of turmoil in Libya. It also enjoys the allegiance of Libya's national oil company, the central bank and some of the militias that guard the country's oil fields.

Its arrival leaves Libya in the unusual position of having three rival governments — two in Tripoli, and one in the east — and the unity administration has struggled to impose its authority since its leaders landed in Tripoli three weeks ago. Now other Libyan officials who, like Mr. Ghweil, oppose it, could face similar penalties.

An executive order signed by President Obama on Tuesday empowered American officials to take action against any Libyan deemed to have threatened the peace, obstructed the unity government or illegally exploited the country's oil resources.

Western countries hope that the new government, led by Prime Minister Fayez Serraj, can become a unifying force that will help combat the Islamic State, which now controls a

150-mile stretch of coastline, and stop the boats of migrants that are using Libya as a launching point to cross the Mediterranean to Europe.

"Our goal with sanctions on spoilers is to secure strongest possible unity government in Libya," said Jonathan Winer, the United States special envoy for Libya, on Twitter. "The country needs unity, not infighting."

Special Operations forces units from the United States, Britain and France have been sighted in various parts of Libya in recent months. They are ostensibly there to prepare for a possible military drive against the Islamic State. For now, the West is trying to create a political anchor for any action.

Mr. Serraj landed in Tripoli by boat on March 30 in a bid to set up his new administration. But he has been prevented from occupying critical ministries in the capital because of opposition from Mr. Ghweil, whose administration is backed by a number of Islamist militias and groups from the nearby city of Misurata.

In an indication of the tense security situation, a gunfight between rival factions erupted on the streets of Tripoli last week just hours after a visit by three Western ambassadors to the city.

Western diplomats fled Tripoli in 2014 during the broader turmoil that followed the ouster of Col. Muammar el-Qaddafi in 2011 and which spawned a multi-faceted conflict with a bewildering array of competing factions and governments.

"If only it were so simple as there being two sides," the British foreign secretary, Philip Hammond, told the British Parliament on Tuesday, one day after he visited Tripoli in a show of support for the unity government. "There are about 120 sides."

The American sanctions against Mr. Ghweil complemented similar penalties imposed by the European Union on April 1.

But even beyond Tripoli, the unity government faces several stiff hurdles in eastern Libya, where it has uncertain support. The country's internationally recognized parliament, based in the eastern town of Tobruk, failed to take a vote on Monday that was meant to recognize the unity government, amid scenes of tumultuous discord among lawmakers.

There is also uncertainty about the position of Gen. Khalifa Hifter, a strongman who dominates the east and whose forces have pushed through Benghazi in recent days.

General Hifter now controls most of the city except for a pocket held by the Islamic State and a few outlying districts.

Follow Declan Walsh on Twitter @declanwalsh.

Democrat Criticizes Policy On China, Republican Defends It

By Matthew Pennington

[Associated Press](#), April 19, 2016

WASHINGTON (AP) — President Barack Obama's policy on the disputed South China Sea has come under criticism from a fellow Democrat — and drawn support from a Republican.

State Department officials were testifying Tuesday before a House foreign affairs subcommittee, requesting an increase in their budget for East Asia.

The House panel's top-ranking Democrat, Brad Sherman of California, accused the administration of exaggerating the importance of uninhabited islands in the region's contested seas and the threat posed by China.

A top diplomat for East Asia, Daniel Russel, responded that the U.S. is standing up for international norms and has a vital economic and security interest there.

The Republican chairman of the panel, Matt Salmon of Arizona, agreed and questioned why China has been building runways on the islands if they have no value.

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China Sentences Man To Death For Espionage, Saying He Sold Secrets

By Javier C. Hernández

[New York Times](#), April 19, 2016

BEIJING — In a sign of China's increasingly aggressive efforts to combat espionage and other security threats, the government said it had sentenced a former computer technician to death for selling 150,000 classified documents to foreign spies, according to state media reports on Tuesday.

The man, Huang Yu, 41, worked for a research institute specializing in cryptography in Chengdu, a city in southwestern China. He sold the materials, which included military codes, from 2002 to 2011, making about \$700,000, the state-run broadcaster China Central Television reported. The government did not specify which spy agencies he had assisted.

Mr. Huang's death sentence was the first known case of a Chinese citizen's receiving the death penalty for espionage since 2008, when the government executed a biomedical researcher and a distant relative of his, accusing them of passing secrets to Taiwan.

The trove of information Mr. Huang is accused of selling, including 90 top-secret documents, represents one of the largest known leaks in China in recent years, national security experts said.

Under President Xi Jinping, China has sought to rally the public behind the cause of catching foreign and domestic spies. Last week, China celebrated its first National Security

Education Day, and security officials have established an anti-spying hotline.

In 2014, Mr. Xi signed a counterespionage law to more extensively track foreign spies and Chinese citizens who assist them. Last year, the government approved a sweeping national security law, broadening the definition of what constituted a violation.

The publicity given to Mr. Huang's case reflected Mr. Xi's determination to highlight the threats posed by foreign entities and the government's tough approach to issues of national security, analysts said.

"The authorities are, in this way, advertising the fact that there is severe punishment available for crimes against national security," said Eva Pils, a legal scholar at King's College London. "I would read this as intending to produce a kind of warning effect."

Cases of espionage have received wide attention in China recently. In January, officials announced that they were prosecuting a Canadian man who ran a cafe near the border with North Korea on charges of spying and stealing state secrets. Last year, China detained four Japanese citizens on suspicion of espionage.

As part of National Security Education Day on Friday, Beijing officials hung posters at government offices warning about the risks of romantic relationships with foreigners, according to The Associated Press. The posters, titled "Dangerous Love," told the story of how a spy named David, posing as a visiting scholar, seduced a young propaganda worker and persuaded her to give him secret documents.

The details of Mr. Huang's case were revealed in a 15-minute special report on CCTV, which portrayed him as a disgruntled employee who contacted foreign spy agencies online in hopes of getting rich.

Mimicking the style of several recent televised confessions that the ruling Communist Party has used as a propaganda tool, the report showed Mr. Huang in shackles and an orange vest, shuffling down a dark hallway. In an interview with CCTV, he recounted how he arranged meetings in Southeast Asia with foreign spy agencies and stole materials from his wife and brother-in-law, who also handled classified information in their work.

"If there are other people who see me and they are doing similar things — betraying their country — I hope they'll report themselves to the national security people," he said in the interview. "That's good for their family and themselves, and it will lead to a better outcome."

Mr. Huang was arrested in 2011, and it was unclear why the authorities waited until now to publicize the case. His wife was sentenced to five years in prison, and his brother-in-law was sentenced to three years in prison, the state media reports said. They were both accused of negligent disclosure of state secrets.

The government's decision to sentence Mr. Huang to death drew criticism from human rights groups. China is believed to execute more people each year than the rest of the world combined, though the government does not release official statistics.

While China has sought to gradually reduce its use of capital punishment in recent years, advocates have criticized officials for resorting to it even in cases of nonviolent crime, like corruption and drug trafficking.

William Nee, a researcher for Amnesty International in Hong Kong, called the decision to execute Mr. Huang a "deplorable reversal of the general trend."

In an email, Mr. Nee said the government's campaign against spying would fuel distrust in Chinese society.

"This idea of spies being everywhere, common to China in the Mao era, to some extent, is now helping to increase paranoia and suspicion in society, and even greater xenophobia," he said.

NATIONAL NEWS

A Big ObamaCare Exit

America's largest health insurer flees after incurring huge losses.

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

UnitedHealthcare To Exit All But A Handful™ Of Obamacare Markets In 2017

By Phil Galewitz

[Kaiser Health News](#), April 19, 2016

UnitedHealthcare will operate only in a "handful" of health insurance exchanges in 2017, down from 34 states this year, company officials said Tuesday.

The company did not provide the anticipated details in its first-quarter earnings announcement released Tuesday morning or in a subsequent teleconference with securities analysts. But a spokesman confirmed Nevada and Virginia would be among the states where it will retain a presence. In the past week, UnitedHealthcare said it would leave Georgia, Michigan, and Arkansas.

UnitedHealth Group, the parent company, warned in November it was considering quitting most marketplaces because of escalating losses on the Obamacare plans. The company on Tuesday said it lost \$475 million last year from the marketplace plans and was on target to lose \$650 million in 2016.

UnitedHealth is the nation's largest health insurer overall, but it's not the biggest in the individual insurance markets that the exchanges serve.

Even so, UnitedHealth's plan to dramatically curtail involvement in the exchanges would severely limit competition in parts or all of about 10 states — mostly in the South and Midwest, according to an analysis from the Kaiser Family Foundation. (KHN is an editorially independent program of the foundation.) That could mean higher premiums for consumers in states and counties left with only one or two insurers, unless another company enters those markets. Oklahoma and Kansas would be left with only one insurer if UnitedHealthcare pulls out.

Obama administration officials sought to play down the impact of the UnitedHealth's announcement saying the company was not the lowest-cost plan in many of the biggest states. For example, at least 95 percent of the populations of Florida, Illinois and Ohio live in a county where they could find a cheaper plan this year, an administration spokesman said.

So far, UnitedHealthcare is the only large carrier to announce it will leave the marketplaces in multiple states.

"We have full confidence, based on data, that the marketplaces will continue to thrive for years ahead," said a spokesman for the U.S. Department of Health and Human Services. "The marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer."

United officials said they were unwilling to keep losing money.

"The smaller overall market size and shorter term, higher-risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis," CEO Stephen Hemsley said in a conference call with investors Tuesday.

"Next year, we will remain in only a handful of states, and we will not carry financial exposure from exchanges into 2017," Hemsley said.

UnitedHealthcare said it has 795,000 enrollees on the exchange plans, after adding 300,000 people since January. It expects the number to fall to 650,000 by December as people drop off or find other coverage. The Obamacare marketplace has about 12.7 million people enrolled for 2016.

Hemsley confirmed Harken Health, the company's subsidiary that markets a boutique-style health plan, would continue next year. It currently operates in Atlanta and Chicago.

Despite the Obamacare losses, the Minnetonka, Minnesota-based company made \$1.6 billion in net income on \$44.5 billion in revenue in the first quarter of 2016. During the same period last year, UnitedHealth Group made \$1.4 billion in net income on \$35.8 billion in revenue.

UnitedHealth Group To Exit Affordable Care Exchanges In All But A 'Handful' Of States

By Carolyn Y. Johnson

[Chicago Tribune](#), April 19, 2016

UnitedHealth Group, the nation's largest health insurer, said today that in 2017 it will exit most of the 34 states where it offers plans on the Affordable Care Act insurance exchanges.

"We will be down to a handful of states that we will be actively participating in the exchanges," Stephen J. Hemsley, chief executive officer of UnitedHealth Group said in an earnings call, noting that the small market size and greater expense of patients insured through the marketplaces led the insurer to make the decision.

UnitedHealth reportedly plans to withdraw from health insurance marketplaces in Arkansas, Michigan and parts of Georgia. The decision is a sequel to an announcement by executives late last year that the insurer had suffered financial losses and might leave the health exchanges altogether in 2017. UnitedHealth reported that it expects to lose \$650 million in the exchanges in 2016.

Prior to the call, the Obama Administration attempted to downplay any departures from UnitedHealth.

"We have full confidence, based on data, that the Marketplaces will continue to thrive for years ahead. The number of issuers per state has grown year-over-year," Health and Human Services spokesman Ben Wakana said in a statement released Monday morning. "The Marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer."

Although UnitedHealth is the nation's biggest health insurer, it was slow to enter the exchanges in 2014, rolling out plans in just four states initially. In the call, executives said they cover 795,000 people through the exchanges and expect that number to drop to 650,000 by December. There are 12.7 million people insured through the state and federal marketplaces, according to the latest data.

Several observers said that while the decision is a clear signal of the troubles insurers face in making money in the marketplaces, it doesn't mean that other companies will follow suit.

"This is an industry problem. A lot of them [insurers] are losing money in a number of states," said Ana Gupte, a senior analyst in healthcare services at Leerink Partners. "I think United will probably be the most bold, in terms of the exits," partially because only a small portion of the company's revenue comes from the marketplaces relative to other insurers, such as Aetna or Anthem, which would find it more difficult to walk away.

The true impact of UnitedHealth's departure will vary by location, according to a new report by the Kaiser Family Foundation. That report analyzed the effect if United were to drop out of all the exchanges where it participates, and found that 1.1 million people enrolled through the exchanges would have one insurer left to choose from if it withdrew from every market and no other insurers rushed in to fill the gap.

State-by-state, the impact could be significant in some rural areas and Southern states, the Kaiser analysis found. But the report also showed that overall, the effects would be relatively modest. Even if United exited all states, most marketplace enrollees would still have the ability to choose between three or more insurers. An average health plan used as a benchmark would be about 1 percent more expensive if United had not participated in 2016.

"I don't know what a 'handful' means, but it does sound like a pretty big pullout. But since we don't know which markets it is – we know some of them but we don't know many of the others – we don't know how big a deal it is in terms of competition," said Gary Claxton, a vice president at the Kaiser Family Foundation.

Even if the effects of United leaving most of the exchanges in which it participates could be relatively modest, Tuesday's announcement comes as other insurers have indicated concern over how they are faring in the marketplaces created by health reform. Last month, the Blue Cross Blue Shield Association released a report indicating that new members who enrolled in individual plans used more medical services of all kinds and accounted for health care spending 22 percent higher than people with employer-based insurance in 2015.

At Aetna's earnings call for the fourth quarter of 2015, Aetna chief executive Mark Bertolini said the insurer was concerned about the marketplaces.

"This business remained unprofitable in 2015 and we continue to have serious concerns about the sustainability of the public exchanges," Bertolini said.

Katherine Hempstead of the Robert Wood Johnson Foundation said it would be easy to overplay and to underplay UnitedHealth's move. She said it was significant, but far from a death knell for the marketplaces. She took note of the fact that instead of leaving Georgia altogether, UnitedHealth is going to continue to participate, offering insurance in marketplaces through a subsidiary called Harken Health.

"I don't think the exit of this carrier is, in and of itself, a threat to the overall market. It's a message," Hempstead said. "To me, it's a sign of a process of evolution, where the sellers really have to change what they do to make money in this market – and they're starting to."

Bloomberg

UnitedHealth Group Increases Revenue As It Exits Some State Health Exchanges

By Charisse Jones

[USA Today](#), April 19, 2016

UnitedHealth Group boosted revenue in the first quarter, despite losses from participation in Affordable Care

Act exchanges that are leading the company to exit those marketplaces in at least five states.

The nation's largest insurer said Tuesday that its first quarter revenue rose 25%, to \$44.5 billion as compared to that three month period in 2015. Adjusted earnings jumped 17% to \$1.81 per share, versus the first quarter of 2015, beating analysts estimates by nine cents, according to Zacks Research.

The company saw particularly strong results with its health service business Optum, which consults with industry players on how to cut costs and better the quality of care. It saw \$19.7 billion in revenue during the first quarter as compared to \$12.8 billion during that quarter last year.

But UnitedHealth Group hasn't fared so well in the exchanges created in many states by the Affordable Care Act. In an earnings call with investors Tuesday, UnitedHealth Group's CEO Stephen Hemsley said that the smaller market size, and the higher risks in the short term of those exchanges are limiting the company's ability to continue providing services. While the company services 795,000 people through public marketplaces as of March, that number is expected to drop to 650,000 by December.

"Next year we will remain in only a handful of states," Hemsley said, adding that the company doesn't plan to have financial exposure to any exchanges in 2017.

As it sheds those exchanges, UnitedHealth Group says it expects \$182 billion in revenue this year, and earnings when adjusted of \$7.75 to \$7.95 per share.

The market appeared to be responding favorably to the results, with UnitedHealth's shares (UNH) up 1.5% to \$129.77 per share in afternoon trading.

While many Obamacare critics cite UnitedHealth's decision to pull out of several exchanges as a sign the law is in trouble, the Kaiser Family Foundation released an analysis Monday showing that a mass withdrawal by the company would have a big effect on competition, but it wouldn't have much of an impact on the average benchmark premium nationally. This premium is used to calculate the subsidies that more than 80% of people who buy on the exchanges get.

The new analysis showed 53% of U.S. counties would have just one or two exchange insurers if United were to leave all the exchanges, which are also known as marketplaces. Three insurers are considered necessary to ensure adequate competition.

Department of Health and Human Services spokesman Benjamin Wakana also downplayed the significance of UnitedHealth's decisions, noting that the number of issuers per state has grown year-over-year.

"We have full confidence, based on data, that the Marketplaces will continue to thrive for years ahead," Wakana said in a statement. "The Marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer."

Contributing: Jayne O'Donnell

UnitedHealth Tops Expectations, To Leave Some Affordable Care Act Markets

U.S. health insurer will pare its presence from 34 states this year to "only a handful" in 2017

By Anna Wilde Mathews

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

UnitedHealth Will Leave Obamacare Marketplaces In Some States

By J. Weston Phippen

[The Atlantic](#), April 19, 2016

UnitedHealth Group, the largest health-care provider in the U.S., said that next year it will pull out of Affordable Care Act marketplaces in most of the 34 states where it now operates.

"The smaller overall market size and shorter term, higher risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustainable basis," UnitedHealth's CEO, Stephen J. Hemsley said.

The announcement came Tuesday, in a call with investors. But UnitedHealth had warned of such a move last November. At the time, it said it planned to re-evaluate involvement in the exchanges because participation had "tempered industrywide, co-operatives have failed," and because analysts had projected an even harder time making money in the markets because of what UnitedHealth called "higher risks and more difficulties."

UnitedHealth said it expects to lose \$650 million in the exchanges this year. In the past week, it said it'd leave marketplaces in Arkansas, Michigan, and much of Georgia. The impact will be hardest felt in the South and the Midwest, where there are already few options in the exchanges for consumers to choose from, and it could leave as many as 1.1 million people with just one health plan option, according to a report by the Kaiser Family Foundation.

The Kaiser report said that if UnitedHealth were to withdraw from all state marketplaces, the effect would vary in each state, and even by county. It would mean that 532 counties would drop from three insurers, down to two. And 536 counties would have one insurer. Most of these counties are rural, and cover a much smaller share of the total who are insured under the ACA. The Kaiser report also said that if UnitedHealth dropped out, customers in these counties probably wouldn't see cost increases in the most popular plans.

The ACA brought the country's uninsured down to 11 percent, a record low. President Obama said more than 20

million previously uninsured people had signed up for his signature legislative achievement. At the close of 2016 enrollment in February, around 13 million people purchased their insurance through the exchanges. But insurers have complained that they can't make money in the marketplace programs. A Blue Cross Blue Shield report released in March found that average monthly medical spending for someone insured in the marketplace was higher than someone insured through their employer—about \$560 each month compared with \$460.

UnitedHealth was a latecomer to the marketplace, and in 2014 started selling in four states. It now insures 795,000 people through the exchange, which it expects to drop 650,000 by the end of the year.

Citing Losses, UnitedHealth To Pull Back From Obamacare

By Reed Abelson

[New York Times](#), April 20, 2016

The UnitedHealth Group, one of the nation's largest health insurers, told investors on Tuesday that it continued to lose hundreds of millions of dollars selling individual policies under the federal health care law. The company said it planned to pull out of the majority of states where it offered coverage and would offer policies on the public exchanges in "only a handful of states" for 2017.

UnitedHealth, which was a late and seemingly reluctant participant in the public exchanges, surprised investors last year when it announced its sizable losses, now estimated at more than a combined \$1 billion for 2015 and 2016, because of its poor performance in the public exchanges. Policy analysts have been watching UnitedHealth closely as an indicator of whether the new individual market developed under the Affordable Care Act is sustainable.

Addressing investors, Stephen J. Hemsley, the company's chief executive, continued to offer a pessimistic view. "The smaller overall market size and shorter term, higher risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustainable basis," he said. UnitedHealth said it estimated its losses from the exchanges would be \$650 million this year.

UnitedHealth reported overall earnings from operations of \$3 billion on revenue of \$44.5 billion for the first quarter of 2016, compared with earnings of \$2.6 billion on revenue of \$35.8 billion for the 2015 quarter.

The company would not specify which states it planned to exit. It appears to be staying in Virginia and Nevada next year, but it is not known what other states remain attractive. A small unit of UnitedHealth, which offers exchange plans that feature a primary-care clinic, is being tested in some states, including Georgia, where United says it is pulling out.

Despite the concerns over United's decision, just how much of its struggles are because of a lackluster embrace of the market and small presence is unclear. The company covers a small fraction of the roughly 13 million people who have signed up for 2016, with 795,000 people in its plans. Without large numbers of customers, insurers are unable to demand low prices from hospitals and doctors. They also cannot balance the high cost of very sick patients with the low expense of more healthy customers.

The number of insurance carriers for every state has increased every year, said Ben Wakana, a spokesman for the Health and Human Services Department, which oversees the exchanges, in a statement. "With millions of Americans insured through the marketplaces, it's clear that this is a growing business for insurers," he said.

While United is not alone in finding the new market challenging, some insurers, especially those that have traditionally served low-income customers in Medicaid programs, appear to be more successful. "This is still a new market, and both entrants and exits come with the territory," said Cynthia Cox, one of the authors of a recent analysis from the Kaiser Family Foundation of the impact if UnitedHealth were to leave all of its markets.

While the analysis found the overall impact to be modest, if UnitedHealth leaves all of the markets it serves and is not replaced by another carrier, the Kaiser analysis found "the effect on insurer competition could be significant in some markets — particularly in rural areas and Southern states."

UnitedHealth Group To Exit Obamacare Exchanges In All But A 'Handful' Of States

By Carolyn Y. Johnson

[Washington Post](#), April 19, 2016

UnitedHealth Group, the nation's largest health insurer, said Tuesday that in 2017 it will exit most of the 34 states where it offers plans on the Affordable Care Act insurance exchanges.

"We will be down to a handful of states that we will be actively participating in the exchanges," Stephen J. Hemsley, chief executive officer of UnitedHealth Group said in an earnings call, noting that the small market size and greater expense of patients insured through the marketplaces led the insurer to make the decision.

UnitedHealth plans to withdraw from health insurance marketplaces in Arkansas, Michigan, Connecticut and parts of Georgia. The decision is a sequel to an announcement by executives late last year that the insurer had suffered financial losses and might leave the health exchanges altogether in 2017. UnitedHealth reported that it expects to lose \$650 million in the exchanges in 2016.

Prior to the call, the Obama Administration attempted to downplay any departures from UnitedHealth.

"We have full confidence, based on data, that the Marketplaces will continue to thrive for years ahead. The number of issuers per state has grown year-over-year," Health and Human Services spokesman Ben Wakana said in a statement released Monday morning. "The Marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer."

Although UnitedHealth is the nation's biggest health insurer, it was slow to enter the exchanges in 2014, rolling out plans in just four states initially. In the call, executives said they cover 795,000 people through the exchanges and expect that number to drop to 650,000 by December. There are 12.7 million people insured through the state and federal marketplaces, according to the latest data.

Several observers said that while the decision is a clear signal of the troubles insurers face in making money in the marketplaces, it doesn't mean that other companies will follow suit.

"This is an industry problem. A lot of them [insurers] are losing money in a number of states," said Ana Gupte, a senior analyst in healthcare services at Leerink Partners.

However, she added, "I think United will probably be the most bold, in terms of the exits," partially because only a small portion of the company's revenue comes from the marketplaces relative to other insurers, such as Aetna or Anthem, which would find it more difficult to walk away.

The true impact of UnitedHealth's departure will vary by location, according to a new report by the Kaiser Family Foundation. That analysis found that, if United were to drop out of all the states, 1.1 million people in the exchanges would have just one option for an insurer, provided no other insurers rushed in to fill the gap.

State-by-state, the impact could be significant in some rural areas and Southern states, the Kaiser analysis found. But the report also showed that, overall, the effects would be relatively modest. Even if United exited all states, most marketplace enrollees would still have the ability to choose between three or more insurers. An average health plan used as a benchmark would be about 1 percent more expensive if United had not participated in 2016.

"I don't know what a 'handful' means, but it does sound like a pretty big pullout. But since we don't know which markets it is – we know some of them but we don't know many of the others – we don't know how big a deal it is in terms of competition," said Gary Claxton, a vice president at the Kaiser Family Foundation.

United's announcement comes as other insurers have indicated concern over how they are faring in the marketplaces created by health reform, as well. Last month, the Blue Cross Blue Shield Association released a report indicating that new members who enrolled in individual plans

used more medical services of all kinds and accounted for health care spending 22 percent higher than people with employer-based insurance in 2015.

At Aetna's earnings call for the fourth quarter of 2015, chief executive Mark Bertolini said the insurer was concerned about the marketplaces.

"This business remained unprofitable in 2015 and we continue to have serious concerns about the sustainability of the public exchanges," Bertolini said.

Katherine Hempstead of the Robert Wood Johnson Foundation said UnitedHealth's move was significant, but far from a death knell for the marketplaces. She took note of the fact that instead of leaving Georgia altogether, UnitedHealth is going to continue to participate, offering insurance through a subsidiary called Harken Health.

"I don't think the exit of this carrier is, in and of itself, a threat to the overall market. It's a message," Hempstead said. "To me, it's a sign of a process of evolution, where the sellers really have to change what they do to make money in this market – and they're starting to."

UnitedHealth Will Drop Out Of Most ACA Exchanges

By Bob Herman

[Modern Healthcare](#), April 19, 2016

UnitedHealth Group CEO Stephen Hemsley said Tuesday the health insurance and services conglomerate will pull out of most of its Affordable Care Act marketplaces

. But the company won't bail on the exchanges completely and will sell individual plans in a "handful" of states.

"We cannot broadly serve it on an effective and sustained basis," Hemsley told analysts and investors on a conference call. UnitedHealth has fully or partially exited five states so far—Arkansas, Georgia, Louisiana, Michigan and Oklahoma, according to various news reports.

The company sold plans in 34 states for this policy year and did not disclose which states it will stay in. Insurers that sell plans through the federal HealthCare.gov portal

have until May 11 to file rates for 2017 plans.

A new analysis from the Kaiser Family Foundation, however, notes that UnitedHealth's exits would only have a modest effect on competition and prices nationally since it has a small ACA footprint and charged higher premiums from the outset.

UnitedHealth

recorded an additional \$125 million loss on its individual ACA plans, meaning the company's total ACA losses for 2015 and 2016

will exceed \$1 billion. UnitedHealth signed up many sicker-than-expected members, ending the first quarter with

795,000 public exchange enrollees, which is only a fraction of the ACA's individual market.

The insurer also overpriced its plans in 2015 after barely participating on the exchanges in 2014. UnitedHealth expects its exchange membership will decline to 650,000 by the end of the year.

But despite those heavy losses, which UnitedHealth previewed late last year, the company's other lines of business like Medicare Advantage and Optum have been making money at a healthy clip. UnitedHealth's profit climbed 14% year over year, totaling \$1.6 billion

in the first three months of this year. Adjusted earnings per share rose 17% to \$1.81, beating estimates on Wall Street.

Revenue soared almost 25% to \$44.5 billion in the first quarter, putting UnitedHealth on pace to hit \$182 billion of revenue for the year. The Minnetonka, Minn.-based company recorded double-digit revenue growth across every major segment, including employer, Medicaid, Medicare Advantage and its Optum

health services business. UnitedHealth now covers the medical care of nearly 47.7 million Americans.

UnitedHealth's medical-loss ratio, which shows how much of its premium dollars were spent on medical care or "quality improvement" programs, was 81.7% in the quarter. That was up slightly from the 81.4% posted in the same quarter last year, which UnitedHealth attributed to the leap day.

UnitedHealthcare To Exit All But 'handful' Of Obamacare Markets

By Phil Galewitz

[PBS NewsHour](#), April 19, 2016

UnitedHealth Group Inc. signage stands in front of company headquarters in Minnetonka, Minnesota, U.S., on Wednesday, March 9, 2016. Photo by Mike Bradley/Bloomberg via Getty Images

UnitedHealthcare will operate only in a "handful" of health insurance exchanges in 2017, down from 34 states this year, company officials said Tuesday.

The company did not provide the anticipated details in its first-quarter earnings announcement released Tuesday morning or in a subsequent teleconference with securities analysts. But a spokesman confirmed Nevada and Virginia would be among the states where it will retain a presence. In the past week, UnitedHealthcare said it would leave Georgia, Michigan, and Arkansas.

UnitedHealth Group, the parent company, warned in November it was considering quitting most marketplaces because of escalating losses on the Obamacare plans. The company on Tuesday said it lost \$475 million last year from

the marketplace plans and was on target to lose \$650 million in 2016.

UnitedHealth is the nation's largest health insurer overall, but it's not the biggest in the individual insurance markets that the exchanges serve.

Even so, UnitedHealth's plan to dramatically curtail involvement in the exchanges would severely limit competition in parts or all of about 10 states — mostly in the South and Midwest, according to an analysis from the Kaiser Family Foundation. (KHN is an editorially independent program of the foundation.) That could mean higher premiums for consumers in states and counties left with only one or two insurers, unless another company enters those markets. Oklahoma and Kansas would be left with only one insurer if UnitedHealthcare pulls out.

Obama administration officials sought to play down the impact of the UnitedHealth's announcement saying the company was not the lowest-cost plan in many of the biggest states. For example, at least 95 percent of the populations of Florida, Illinois and Ohio live in a county where they could find a cheaper plan this year, an administration spokesman said.

So far, UnitedHealthcare is the only large carrier to announce it will leave the marketplaces in multiple states.

"We have full confidence, based on data, that the marketplaces will continue to thrive for years ahead," said a spokesman for the U.S. Department of Health and Human Services. "The marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer."

United officials said they were unwilling to keep losing money.

"The smaller overall market size and shorter term, higher-risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis," CEO Stephen Hemsley said in a conference call with investors Tuesday.

"Next year, we will remain in only a handful of states, and we will not carry financial exposure from exchanges into 2017," Hemsley said.

He confirmed Harken Health, the company's subsidiary that markets a boutique-style health plan, would continue next year. It currently operates in Atlanta and Chicago.

Despite the Obamacare losses, the Minnetonka, Minnesota-based company made \$1.6 billion in net income on \$44.5 billion in revenue in the first quarter of 2016. During the same period last year, UnitedHealth Group made \$1.4 billion in net income on \$35.8 billion in revenue.

This story was originally published by Kaiser Health News. Kaiser Health News is an editorially independent program of the Henry J. Kaiser Family Foundation, a nonprofit, nonpartisan health policy research and communication organization not affiliated with Kaiser Permanente.

UnitedHealth Pulling Out Of Most ObamaCare Markets

By Peter Sullivan

[The Hill](#), April 19, 2016

The insurer UnitedHealth is pulling out of the ObamaCare marketplaces in all but a “handful” of states in 2017, the company announced Tuesday.

The announcement, made by CEO Stephen Hemsley on an earnings call, follows up on the company’s statement in November that it was considering dropping out of ObamaCare due to financial losses.

The moves by UnitedHealth, the nation’s largest health insurer, have drawn attention for what they could indicate about the sustainability of ObamaCare as a whole.

The Obama administration has downplayed the importance of UnitedHealth, saying the insurer is a fairly small player in the marketplaces, with about 6 percent of all enrollees. The insurer’s coverage was often not priced competitively, officials have said.

But UnitedHealth is not alone in warning that the financial losses in the ObamaCare marketplaces are reaching dangerous levels.

Other insurers that play a bigger role in the marketplaces, including some Blue Cross Blue Shield plans, have also raised the prospect of pulling back some of their ObamaCare plans.

Insurance companies are expected to seek significant premium increases next year to stem their losses. In the past, the impact on consumers has been blunted by ObamaCare’s tax credits.

States will have the power to accept or reject the premium increases.

Republicans have long warned that ObamaCare would “collapse under its own weight,” and they seized on the UnitedHealth news to press their case.

“This isn’t about spreadsheets and quarterly reports — it’s about the President’s broken promise that families would have more choices under ObamaCare,” Sen. Ben Sasse (R-Neb.) said in a statement Tuesday.

“This year, in 36 percent of the nation’s counties, families could pick between only one or two insurers on the exchange and, given today’s news, next year looks like it could be even worse.”

The administration, meanwhile, said it expects that insurers will both come and go as the new insurance markets set up by the Affordable Care Act develop. But overall, they say the law is working as planned.

“The Marketplace is a reliable source of coverage for millions of Americans with a robust number of plan choices,” Department of Health and Human Services spokesman Ben Wakana said in a statement. “We have full confidence, based

on data, that the Marketplaces will continue to thrive for years ahead.”

A Kaiser Family Foundation study on Monday found that if UnitedHealth pulled out of all 34 states in which it participated in 2016, the number of choices for consumers would decline. The percentage of U.S. counties with only one or two insurers to choose from would grow from 36 percent to 53 percent, the study found.

But premiums would not be affected greatly because UnitedHealth often does not offer one of the cheapest plans, according to the study.

It remains unclear in what states UnitedHealth will continue to offer ObamaCare coverage, though it appears that the company will be leaving most of the 34 states where it now participates.

Caroline Pearson, senior vice president at Avalere Health, a consulting firm, said that premium increases for insurers to halt their losses next year are likely but that it would be a healthy move that would allow insurers to stop losing money.

“I don’t think it should be especially worrying,” she said of UnitedHealth’s decision. “But I do think it speaks to some of the very real challenges that plans are experiencing.”

“I’m certainly not expecting a lot of other plans to drop out,” she said, noting that UnitedHealth is different than other insurers because it entered the ObamaCare market late looking for a “growth opportunity.”

The ObamaCare market has been smaller and costlier than expected, partly due to the number of sicker enrollees.

“The smaller overall market size and shorter term, higher risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis,” Hemsley, the UnitedHealth CEO, said on the earnings call in explaining the company’s move.

— This story was updated at 2:02 p.m.

While UnitedHealth Pulls The Plug On Obamacare, Data Shows Where And Why It Failed

By Michael Hiltzik

[Los Angeles Times](#), April 19, 2016

UnitedHealth Group, the nation’s largest commercial health insurer, made good on a six-month-old threat and announced Tuesday that it will pull out of Affordable Care Act exchanges in all but “a handful of states” after this year. The questions that raises, as we observed a couple of weeks ago, are will that hurt, and if so, who does it hurt?

United had previously announced its withdrawal from Arkansas, Michigan, and Georgia (although a subsidiary, Harken, will continue to serve some Georgia counties). Other early reports said the company would leave Oklahoma and Louisiana. United has filed a rate request for 2017 in Virginia,

albeit for HMOs only, so it appears to be staying in that state at least for one more year.

As it happens, new data released by the Kaiser Family Foundation and the Dept. of Health and Human Services show that because of the big company's tentative entry into Obamacare's individual exchanges in the first place, the impact of its withdrawal will be little noticed nationwide, though it could drive up premiums in some rural areas.

United does not generally offer low premium plans in the Marketplaces....As a result, the effect of a United withdrawal nationally would be modest.

--Kaiser Family Foundation

Kaiser analysts Cynthia Cox and Ashley Semanskee observe that United was a cautious entrant into the Obamacare exchanges, stepping gingerly into the water in only a few states in 2014, and expanding during the following two years. In general it was never a low-premium insurer, which limited its customer base; company executives said Tuesday that United is serving about 795,000 exchange enrollees out of the total of about 11 million. UnitedHealth CEO Stephen Hemsley, who announced Tuesday that his company will withdraw from ACA exchanges across the nation, seen here in 2014. (AP)

"United does not generally offer low premium plans in the Marketplaces," Cox and Semanskee report. The company offers the lowest or second-lowest silver plan in about one third of the counties where it participates in 2016. As a result, the effect of a United withdrawal nationally would be modest...The national weighted average benchmark silver plan would have been roughly 1% higher in 2016 had United not participated (less than \$4 per month for an unsubsidized 40-year-old)."

HHS supplemented Kaiser's findings with results from healthcare.gov, the website for enrollment on federally-run exchanges. United policies were not priced competitively in any of the five most-populous states where exchange enrollments go through the federal website--Florida, Illinois, Pennsylvania, Ohio, and Georgia. More than 90% of the populations of all five lived in areas where they could find a silver plan cheaper than United's, an agency spokesman said. Counties served by UnitedHealth tended to be rural and less populated, muting the impact of its withdrawal. Its withdrawal could drive up monthly premiums by \$25 or more in 34% of U.S. counties, but affect only 22% of the population. (Kaiser Family Foundation)

United's withdrawal will hurt in some regions, Kaiser found, particularly counties where competition was already scarce, and United's departure will leave only one or two insurers offering individual plans. These tend to be rural and sparsely populated. If United were to exit from all states, Kaiser reckoned, the number of counties with three or more competing insurers would shrink from 64% of the total to 48%, though the proportion of the population served by three

or more insurers would fall from 85% only to 70%. That's an indication that other major insurers, including Aetna, Anthem, and independent Blue Cross and Blue Shield plans, are still competing vigorously in the most densely-populated portions of the country.

These figures still leave open the question of why UnitedHealth's experience with the exchanges was so unhappy. It's proper to remember that although it's the nation's largest commercial health insurer, United operates chiefly in the employer-sponsored, Medicare, and Medicaid markets. These are more predictable in terms of both risk and revenue than the ACA market, which was radically new when it was launched in 2014. Until then, individual insurance was a cherry-picker's game entirely under the control of insurers, who shunned customers who appeared to be medical risks and larded their customer base with the young and healthy.

The Affordable Care Act outlawed such "medical underwriting." Insurance companies had to learn the risk profile of the Obamacare customer base, and therefore the proper price to charge, on-the-job. This is still a work in progress after only three years. Aetna, Anthem, Humana, and several Blue Cross and Blue Shield plans have reported losses on the exchanges, but have expressed more confidence than United that they'll eventually figure out the market and make money. UnitedHealth took a huge hit in Florida and Georgia, but made money in such states as Michigan, Kansas, and Iowa, according to this analysis by Leerink Partners. (Leerink Partners)

A survey by the investment bank Leerink Partners (see above) indicates the nature of United's miscalculation. Drawn from 2015 financial disclosures, the data show that Florida alone--the company's biggest Obamacare state, with 135,657 enrollees last year--accounted for nearly 27% of the company's reported \$475 million in losses on the exchanges. Georgia was another red-ink state, with 11,420 enrollees and 5% of the loss. In at least one state where the company has announced a departure, Michigan, United seemed to have made money last year. But its departure may be related to its doubts that regulators will approve enough of a rate increase to make the business worthwhile.

Leerink analyst Ana Gupte believes that losses will continue on the exchanges for some time, though insurers will be bailed out, to a certain extent and temporarily, by the deferral for 2017 of a \$13.9-billion health insurers excise tax. She also believes that United's problems with Obamacare will prompt federal regulators to look more kindly on the proposed mergers of Aetna with Humana and Anthem with Cigna, which have been rationalized in part as attempts to bulk up to better manage ACA costs. Whether the creation of these mega-insurers really will serve the public by delivering better and more stable healthcare is an open question. The only known outcome is that the entire healthcare landscape is undergoing massive change.

UnitedHealth To Stop Selling ACA Plans In NC And Most Other States

By John Murawski

[Charlotte \(NC\) Observer](#), April 19, 2016

UnitedHealth, the nation's biggest health insurer, will shrink its participation in Affordable Care Act insurance exchanges to only a handful of states next year after expanding to nearly three dozen states this year.

CEO Stephen Hemsley said Tuesday that the company expects losses from its exchange business nationwide to total more than \$1 billion for this year and last. He added that the company cannot continue to sell Affordable Care Act policies due partly to the higher financial risk that comes with those customers.

As part of the pullback, the insurer notified the N.C. Department of Insurance on Monday that it plans to stop offering individual coverage under the Affordable Care Act in 2017. UnitedHealth has been selling ACA policies in North Carolina for two years and operates in 77 counties in the state.

UnitedHealth is the second insurer to recently decide not to participate in North Carolina's ACA market. Last fall Humana withdrew its proposal to offer individual coverage through the federal exchange in four counties, and the company never sold ACA coverage here.

The state's biggest insurer, Blue Cross and Blue Shield, has also said it's weighing whether to stop selling ACA policies here. Blue Cross, which sells coverage through the federal exchange in all 100 North Carolina counties, has lost about \$1 billion on ACA plans in the past two years, but the losses were reduced to \$405 million after compensation from federally-created assistance programs.

The state currently has three ACA insurers: Blue Cross, UnitedHealth and Coventry Health Care of the Carolinas, which is owned by Aetna. If Blue Cross bows out of the market, many in North Carolina would lose access to federally subsidized health insurance, as Coventry operates in just 39 counties in the state.

North Carolina stands out for one of the nation's highest ACA enrollments, exceeding 600,000 people, but is also emerging as one of the nation's most precarious ACA markets, with high rates of subsidization and cost overruns. N.C. Insurance Commissioner Wayne Goodwin, a Democrat up for reelection this fall who approved an average 32.5 percent rate increase for Blue Cross this year, has expressed concern that the market is unsustainable and will drive out all remaining insurers from the state.

"I am disappointed UnitedHealthcare made the business decision to leave our individual health insurance market, and I remain concerned about North Carolinians' access to quality, affordable health care coverage," Goodwin said in a statement. "Clearly, there is much work to be done

by Congress and our state legislature to better protect consumers and rebuild our private health insurance market."

The U.S. Department of Health and Human Services said Tuesday that UnitedHealth accounts for just 6 percent of ACA enrollment nationwide and its withdrawal will have a minimal effect on the health care marketplace.

"As with any new market, we expect changes and adjustments in the early years with issuers both entering and exiting states," the agency said in a statement. "We have full confidence, based on data, that the Marketplaces will continue to thrive for years ahead."

"The number of issuers per state has grown year-over-year," the agency said. "The Marketplace should be judged by the choices it offers consumers, not the decisions of any one issuer. That data shows that the future of the Marketplace remains strong."

UnitedHealth has not disclosed how many customers it has in North Carolina under the ACA, but if the company had just 6 percent of enrollment here, it would have under 37,000 customers. Blue Cross is estimated to have about 300,000 ACA customers in the state, about half the state's total ACA enrollment.

UnitedHealth said it now expects to lose \$650 million this year on its exchange business, up from its previous projection for \$525 million. The insurer lost \$475 million in 2015, a spokesman said.

In a bid to discourage sales of ACA plans, UnitedHealth in January stopped paying sales commissions to independent agents who sold the individual coverage.

UnitedHealth has already decided to pull out of Arkansas, Georgia and Michigan in 2017, and Hemsley told analysts during a Tuesday morning conference call that his company will not carry financial exposure from the exchanges into 2017.

"We continue to remain an advocate for more stable and sustainable approaches to serving this market," he said.

UnitedHealth moved slowly into this newly created market by participating in only 4 exchanges in their first year, 2014. But the company expanded to two dozen exchanges last year and said in October it would add to that total. It currently participates in exchanges in 34 states and covers 795,000 people.

A month after announcing its latest exchange expansion, UnitedHealth started voicing second thoughts. The insurer said in November that it would decide by the first half of this year whether to even participate in the market for 2017.

Insurers say they have struggled, in particular, with customers who have signed up for coverage outside regular enrollment windows and then dumped expensive claims on their books, a problem the government has said it would address.

Blue Cross has expressed similar frustrations, saying that people are signing up for expensive procedures and then dumping their coverage. The Chapel Hill insurer has said the most expensive 5 percent of its ACA pool paid just \$108 million in premiums but cost the company \$1.28 billion in medical expenses in 2015.

A dozen nonprofit health insurance cooperatives created by the ACA to sell coverage on the exchanges have already folded, and the survivors all lost millions last year.

Other publicly traded insurers like Aetna have said that they have lost money on this business as well. But some companies, like Molina Healthcare in California, have said they have managed to turn a profit from the exchanges.

Analysts expect other insurers to also trim their exchange participation in 2017, especially if they continue to struggle with high costs.

UnitedHealth announced first-quarter results Tuesday that beat analyst expectations. The company also raised its forecast for 2016.

What Could Happen If UnitedHealthcare Exits Obamacare In Tennessee

By Holly Fletcher

[Tennessean](#), April 19, 2016

Insurance giant UnitedHealthcare said Tuesday, after months of hand-wringing, it will leave most federally run health insurance exchanges in 2017 as it struggles to find a business model that doesn't result in losses.

Even though UnitedHealthcare may turn out to be a one-year wonder in Tennessee — its plans for the Volunteer State are not immediately clear — its departure would ripple across the state, with considerable impact in rural areas.

This is the first year Minnetonka, Minn.-based UnitedHealthcare sold plans in Tennessee on the federally run exchange.

In June, Gregory Reidy, CEO of UnitedHealthcare's Mid-South Market in Brentwood, said the insurer was entering the market "in a way that is sustainable and predictable."

But losses have changed the company's outlook.

UnitedHealthcare has raised alarms on its losses in 2015 and 2016 on exchange plans nationwide. It raised its projected 2016 loss to \$650 million from \$525 million on Tuesday in an earnings call.

A spokeswoman could not immediately comment on its Tennessee plans.

The insurer is finding — just as other insurance companies are — the people buying insurance on the federally run exchange are sicker and need more care than projected. Despite losses, many insurers are willing to stay for a year or two after 2016.

UnitedHealthcare's entrance was pegged to be an important development for the state's exchange, given its

strong showing the year before in Alabama. Analysts projected it would be in line to pick up consumers from Community Health Alliance, the co-op that entered into voluntary runoff in fall — a move that forced more than 30,000 people to find a new insurer.

It and BlueCross BlueShield of Tennessee are the only insurers that offered plans in all parts of the state.

People in 57 counties, or 60 percent of the state, would see the number of insurers drop from 2 to 1, according to a study from Kaiser Family Foundation. Cigna and Humana each offered plans in select metropolitan areas.

Barring the entrance of another insurer or a large territory expansion by Cigna or Humana, the only insurer in 57 counties in 2017 will be BCBST. According to Kaiser, there are 78,803 people with plans living in those counties.

Federal officials heralded 2016 as the year that more "young invincibles" — the 18-34 age group that closely aligns with the Millennial generation — would buy plans. In some areas younger, presumably healthier people, did buy plans, particularly in areas where Oscar, an online insurer, offered products.

But in Tennessee, the influx of young invincibles didn't happen. BCBST saw plan selections by people aged 18-34 stay at the same level as 2015: 26 percent.

The premiums and the tax credit calculation would also be impacted.

The company received approval for monthly premiums that range from \$94.10 to \$1,122.97 — making it one of the cheaper options for a lot of people.

Tax credits are determined by the second lowest cost silver plan — the federal benchmark — so if prices go up, so does the subsidy.

If UnitedHealthcare leaves the Tennessee market, the decision to not sell commercial insurance on the federal run exchange does not impact its employer-sponsored plans or Medicare or Medicaid products.

This story will be updated. Check www.tennessean.com for more.

Reach Holly Fletcher at 615-259-8287 or on Twitter [@hollyfletcher](https://twitter.com/hollyfletcher).

How are premiums determined?

Many insurance consumers — be it health, car or home — are often unsure about why their premium can rise even if they think they were inexpensive insurees.

Insurance companies determine premiums on a pool of people and the risk associated with that collection. Some members will have higher costs while others have lower costs.

That was evident in the aftermath of the 2010 flood when some policyholders saw higher premiums even though they had no claims. The claims against the bucket of money were higher than expected so premiums had to be adjusted.

Health insurance is similar. Premiums are essentially paid into a pool of money that is used to pay claims. More-than-expected claims tax that pool. Inversely, fewer claims mean money is not being used as expected.

UnitedHealth Group Forecasts Exchange Pullback

By Christopher Snowbeck

[Minneapolis Star Tribune](#), April 19, 2016

UnitedHealth Group will operate only in a “handful” of new health insurance exchanges in 2017, the company’s chief executive said Tuesday, down from more than 30 states this year.

In November, the nation’s largest health insurer said it was reviewing the new exchange business due to financial losses on policies sold through the marketplaces launched under the federal health law.

UnitedHealth Group currently competes on exchanges in 34 states, but has thus far confirmed exits for 2017 in five of them.

“The smaller overall market size and shorter term, higher risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis,” chief executive Stephen Hemsley said in a conference call with investors.

“Next year, we will remain in only a handful of states, and we will not carry financial exposure from exchanges into 2017,” Hemsley said.

The exchanges were launched for 2014 under the federal Affordable Care Act, which requires almost all Americans to have health insurance. Individuals and families can purchase non-group coverage through exchanges, in many cases with federal tax credits.

UnitedHealth Group has been a small player in the market individual market, with about 795,000 enrollees this year in policies sold through exchanges. But competition among health insurers on the exchanges is key to controlling costs.

“This quarter, with the majority of our 2016 exchange members new to us, we have been appropriately cautious in our reserve estimates, reflecting an additional \$125 million in full year 2016 exchange losses,” said David Wichmann, the company’s chief financial officer, during Tuesday’s conference call. “These were fully absorbed in this quarter and fully considered for the year in our guidance range and ... we do not anticipate financial exposure from exchanges in 2017.”

UnitedHealth raised its financial guidance for 2016 after reporting first-quarter earnings Tuesday that beat analyst expectations.

The Minnetonka-based company posted \$1.61 billion in net earnings on \$44.5 billion in revenue. During the same

period last year, UnitedHealth Group saw net earnings of \$1.41 billion on \$35.8 billion in revenue.

Adjusted earnings came in at \$1.81 a share, better than the \$1.72 result that was the average forecast of analysts surveyed by Thomson Reuters.

Membership in the company’s U.S. health insurance plans grew to 43.6 million people at the end of March from 42.3 million people at the end of 2015.

Based on the results and trends, UnitedHealth Group says it now expects 2016 revenue of approximately \$182 billion and adjusted net earnings in a range of \$7.75 to \$7.95 a share. The increase of 15 cents in the outlook for adjusted net earnings share stems from changes in the expected income tax rate and intangible amortization.

Twitter: @chrisssnowbeck

UnitedHealth To Leave Most Obamacare Exchanges In 2017 : Shots

[NPR](#), April 19, 2016

Insurance giant UnitedHealth Group says it will stop selling insurance on Obamacare exchanges in most states starting next year.

In a Tuesday call detailing UnitedHealth’s first quarter earnings, CEO Stephen Hemsley said the company would “remain only in a handful of states,” after losing money on the individual health plans it sold on state exchanges.

The decision won’t affect UnitedHealth customers who have insurance through the company this year. However, customers in the states that the company is leaving will likely have to shop for a new plan for 2017.

The company, which is the largest U.S. health insurer, has about 795,000 customers who bought plans for 2016 through the exchanges, which were created under the Affordable Care Act. That’s just a fraction of the 13 million people who bought Obamacare plans this year.

On Tuesday the company said it expects to lose \$650 million on exchange plans this year, in part because the health status of the people who bought plans is worse than expected.

Still, UnitedHealth’s overall revenue rose 25 percent in the first quarter and profits rose 14 percent — to \$1.6 billion.

UnitedHealth has already informed several states that it intends to pull out of the exchange markets in 2017. Those include Michigan, Oklahoma, Arkansas and parts of Georgia.

“We have been evaluating public exchanges on a state-by-state basis,” Hemsley said on a conference call with reporters and equity analysts. “Our own experience and performance have been unfavorable in these markets.”

Officials at the Department of Health and Human Services, which administers the Affordable Care Act and the federal HealthCare.gov insurance exchange, say UnitedHealth’s plans were priced higher than many others. In

at least seven states, more than 90 percent of residents could buy plans that were cheaper than UnitedHealth's offerings.

"As with any new market, we expect changes and adjustments in the early years with issuers both entering and exiting states," said HHS spokesman Ben Wakana, in a prepared statement. "We have full confidence — based on data — that the marketplaces will continue to thrive for years ahead."

The effect of the company's withdrawal on consumers depends on where they live. An analysis released Monday by the Kaiser Family Foundation shows that premiums could increase as little as \$1 a month in some counties, while in other areas they could rise by as much as \$100 a month.

Residents of Oklahoma, for example, may be left with only one company offering health insurance through the exchanges unless another company enters the market, the report shows.

Nationwide, however, premiums for health plans on the exchanges would likely rise only modestly — about 1 percent on average — if UnitedHealth pulls out of the market altogether. The premium increase would amount to about \$4 a month.

UnitedHealth: Who Needs Obamacare?

As investors hoped, UnitedHealth signals its ACA woes are behind it

By Charley Grant

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Major Health Insurer Bailing On Most Obamacare Exchanges

[Huffington Post](#), April 19, 2016

WASHINGTON — UnitedHealth Group, the largest health insurer in the U.S., will pull out of most states' Obamacare exchanges next year, the company announced Tuesday.

UnitedHealth cited about \$1 billion in losses over the past two years for the firm's decision to significantly scale back its business on the health insurance exchanges created by the Affordable Care Act.

UnitedHealth offers policies on the exchange marketplaces in 34 states this year, but will only remain in a "handful" of states in 2017, UnitedHealth CEO Stephen Hemsley said during a conference call on the company's quarterly earnings. The company

cautioned in November

it might bail on the marketplaces nationwide.

The UnitedHealth Group announcement and warning signs from other health insurers that Obamacare enrollees are costlier than expected serve as a reminder of how new and how fragile the health insurance exchange marketplaces

are ahead of the open enrollment period for 2017 coverage, which begins this fall.

President Barack Obama's health care overhaul may have extended health coverage to an estimated 20 million people

and brought the uninsured rate to

an all-time low, but its future remains uncertain as market dynamics continue to play out. No matter what UnitedHealth Group may be doing next year, it's

going to take longer than that

to determine whether the regulated, subsidized health insurance exchange market will be viable long term.

At the end of the 2016 sign-up period in February,

close to 13 million people

had private health insurance obtained via the exchanges. But enrollment

may have virtually plateaued, the Congressional Budget Office

projects modest growth

in future years, and concerns remain that younger, healthier consumers don't consider the coverage to be affordable or a good value.

"Our own experience and performance have been unfavorable in these markets. The smaller overall market size, the shorter-term, higher-risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis. Next year, we will remain in only a handful of states," Hemsley said during the conference call.

The Huffington Post

The administration sought to tamp down worries about the overall state of the health insurance exchanges despite this uncertainty.

"As with any new market, we expect changes and adjustments in the early years with issuers both entering and exiting states. The marketplace is a reliable source of coverage for millions of Americans with a robust number of plan choices. We have full confidence, based on data, that the marketplaces will continue to thrive for years ahead. The number of issuers per state has grown year-over-year," Department of Health and Human Services spokesman Ben Wakana said in a statement Monday.

Other insurers, including

Humana

and

Blue Cross Blue Shield of North Carolina, also have publicly weighed ending their participation in the exchanges because of losses related to attracting

too many sick customers

and too few healthy ones.

But some insurance companies have earned profits on their exchange business, or at least are willing to sustain losses while the market matures, including

Aetna, Anthem, Kaiser Permanente, Molina Healthcare and Centene. Aetna is seeking federal approval to merge with Humana, and Anthem needs the government's OK to proceed with its plan to combine with Cigna, which could make these companies

more likely to remain

in the exchanges to keep favor with the administration.

UnitedHealth is a relatively minor player in the exchanges. Despite offering plans in more than 30 states this year, the company's

approximately 800,000

exchange customers represent only a 6 percent national market share.

UnitedHealth was among the lowest-priced sellers in few markets and failed to attract large numbers of customers in most states, according to

an analysis

based on its 2016 business that the Henry J. Kaiser Family Foundation published Monday.

The impact of UnitedHealth's departure from the marketplaces would be modest nationally, but significant in some states, where premiums would rise and consumers would have less choice, according to the Kaiser Family Foundation. Consumers in Alabama, Arizona, Iowa, Nebraska and North Carolina would see the biggest negative effects if UnitedHealth left,

the report

concludes.

Hemsley didn't say what states UnitedHealth would leave or where they would remain. UnitedHealth previously said it wouldn't sell policies on the exchanges in Arkansas and Michigan, and would maintain only a small presence in Georgia next year. Bloomberg News reported

Monday the insurer also would leave Louisiana and Oklahoma.

Three years into the exchange market's existence, insurers have an incentive to pressure the federal and state exchange regulators with threats to exit the markets to gain leverage when their premium increases are reviewed, or to win favorable treatment on other issues, such as a permanent repeal of an Affordable Care Act tax on their products. Likewise, the administration has an incentive to portray its health overhaul in a positive light by downplaying the specific effects of UnitedHealth's withdrawals.

Those insurers losing money on the exchanges are likely to ask for

larger rate hikes next year

to compensate, requests that already are trickling in to state and federal regulators.

About 85 percent

of exchange customers receive federal subsidies that can

shield them from premium increases

, and the 2015 and 2016 enrollment periods demonstrated that exchange customers are prone to shop around

and switch carriers to save money, which could limit the financial impact of higher prices.

But the remaining 15 percent of exchange enrollees and the estimated 9 million people who buy health insurance off the exchanges directly from the carrier or through a broker aren't subsidized and will

bear the full brunt

of whatever premium increases are coming.

The Obama administration has taken some steps to address insurer concerns, including

imposing new requirements

consumers must meet to sign up outside the annual enrollment period, and Congress reduced the cost pressures facing insurers by

blocking an Obamacare tax

on the companies next year.

The administration is severely limited in what it can do to address the underlying issues, beyond outperforming itself in enrolling more healthy consumers for next year. The White House has

proposed policies

designed to make the Affordable Care Act function more smoothly, but they have been ignored by the Republican-controlled Congress. The GOP, meanwhile, remains focused on repealing the law and replacing it with a still-unknown plan

of its own.

UnitedHealth and other publicly traded insurers like Anthem, Aetna and Humana have reported financial losses on their exchange business since 2014, the first year they went online. Some of these companies have even

halted commissions to insurance brokers

for sales of exchange policies as a way of discouraging more people from choosing their products.

The Blue Cross Blue Shield Association, which licenses that brand name to insurers across the country that dominate the exchange sector, released data this month illustrating how the customers who signed up via the marketplaces are

sicker and more expensive

than the firms' pre-Obamacare policyholders. The insurance ratings firm A.M. Best

also reported

this month that the exchange business is creating financial pressure on Blue Cross Blue Shield companies.

In spite of UnitedHealth's losses on the health insurance exchanges, the company still enjoyed

a profitable first quarter, beating analysts' projections for earnings per share.

UnitedHealth Plans To Exit Obamacare Exchanges

By Caroline Humer

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

UnitedHealthcare To Exit Most State Insurance Exchanges

By Ameet Sachdev

[Chicago Tribune](#), April 19, 2016

UnitedHealthcare said Tuesday it will pull out of several Affordable Care Act marketplaces next year, but the insurer didn't identify which states it will leave.

A UnitedHealthcare spokeswoman declined to say whether the company would exit the Illinois exchange that provides coverage to individuals who shop for their own health insurance.

The Illinois Department of Insurance had no comment, said spokeswoman Allie Bovis.

Aetna has joined other major health insurers in sounding a warning about the Affordable Care Act's public insurance exchanges.

The nation's third-largest insurer said Monday that it has been struggling with customers who sign up for coverage outside the ACA's annual enrollment window and then use...

Aetna has joined other major health insurers in sounding a warning about the Affordable Care Act's public insurance exchanges.

The nation's third-largest insurer said Monday that it has been struggling with customers who sign up for coverage outside the ACA's annual enrollment window and then use... (Tribune news services)

The biggest U.S. insurer plans to remain in "only a handful" of the 34 ACA marketplaces in which it operates this year. "The smaller overall market size and shorter-term, higher-risk profile within this market segment continue to suggest we cannot broadly serve it on an effective and sustained basis," UnitedHealth Group CEO Stephen Hemsley said during the company's first-quarter earnings conference call.

UnitedHealthcare signaled last year that it was reconsidering its presence on the exchanges after losing hundreds of millions of dollars.

In the past week, state officials in five states, including Michigan, Arkansas and Georgia, disclosed that UnitedHealthcare will withdraw from their ACA insurance exchanges, according to published reports.

In Illinois, UnitedHealthcare sells ACA-compliant health plans in 27 counties. It was only in Cook County in 2015.

The Minnetonka, Minn., company also launched an independent insurance company last year called Harken Health, which sold ACA plans in only two cities, Chicago and Atlanta. Members receive unlimited free primary care visits at clinics operated by Harken.

Maria Gordon Shydlo, a UnitedHealthcare spokeswoman, confirmed that Harken will continue selling plans in Chicago next year.

UnitedHealthcare said it had 795,000 members on state exchanges at the end of March, up roughly 300,000 people from December.

UnitedHealth CEO: We'll Serve Only A 'handful' Of Obamacare Exchanges In 2017

By Tom Howell Jr.

[Washington Times](#), April 19, 2016

UnitedHealth Group will remain in only a "handful" of Obamacare exchanges in 2017, its CEO told investors Tuesday, marking a major withdrawal from its 2016 footprint of 34 states and making good on its threat to pull out of the program instead of sustaining more losses.

UnitedHealth, the nation's largest health insurer, already sent signals of discomfort with Obamacare, saying it lost money on exchange plans last year and hasn't pursued new customers this year. It recently said it would drop out of Arkansas and Michigan next year, and partially withdraw in Georgia.

CEO Stephen J. Hemsley said that exodus will continue.

"The smaller overall market size and shorter-term, higher-risk profile within this market segment, continue to suggest we cannot broadly serve it on an effective and sustained basis," he said on a first-quarter earnings call. "Next year we will remain in only a handful of states, and we will not carry financial exposure from exchanges into 2017. We continue to remain an advocate for more stable and sustainable approaches to serving this market, and those who rely on it for care."

Mr. Hemsley did not specify the states from which it plans to withdraw.

The company said its doing quite well overall, despite its warnings about Obamacare. Its first-quarter revenues of \$44.5 billion grew 25 percent, or \$8.8 billion, compared to last year, buoyed by its Optum division and other lines of business.

A complete withdrawal by UnitedHealth would have an "appreciable" effect on competition in some markets, leaving more than 1 million Americans with only a single option for insurance, according to a study released Monday by the Kaiser Family Foundation.

Its impact on premiums would be rather modest nationwide, though customers in select markets could end up paying more.

Kaiser says premium increases would be most pronounced in Alabama, Arizona, Iowa, Nebraska and North Carolina, where United tended offer lower prices than its competitors.

UnitedHealth took a cautious approach to the exchanges, offering plans in just four states in 2014, 23 states in 2015 and then 34 this year, according to Kaiser.

It is still a relatively small player in the marketplace, accounting for 6 percent of Obamacare customers overall.

Other major insurers have also taken losses, but say they are ready to stick it out.

For its part, the Health and Human Services Department said while insurers will enter and exit the marketplace, it has “full confidence” that it will thrive for years to come.

It has said the marketplace should be “judged by the choices it offers consumers, not the decisions of any one issuer.”

UnitedHealthcare To Exit Most Obamacare Exchanges

By Paul R. La Monica
[CNN Money](#), April 19, 2016

UnitedHealthcare, the biggest health insurer in the United States, said Tuesday that it plans to exit most of the Affordable Care Act state exchanges where it currently operates by 2017.

The health insurer had already indicated that it was dropping coverage of the plans, more commonly known as Obamacare, in Arkansas, Georgia and Michigan.

But during a conference call with analysts Tuesday, CEO Stephen Hemsley noted that “next year we will remain in only a handful of states.”

Hemsley explained that UnitedHealth will leave most states by 2017 because the markets for these exchanges are relatively small and also have higher risks for the company over the short-term.

As such, he said UnitedHealth (UNH) could not serve these exchanges on an “effective and sustained basis.”

It shouldn’t come as a huge surprise. UnitedHealth had previously said that it lost \$475 million on the ACA exchanges last year and could lose another \$500 million this year.

But Hemsley said that the company will “continue to remain an advocate for more stable and sustainable approaches to serving this market and those who rely on it for their care.”

UnitedHealth’s president and chief financial officer David Wichmann added that the company served 795,000 people on public exchanges as of the end of the first quarter.

It expects to have only 650,000 public exchange members by December.

This could be a blow to President Obama and his signature law to overhaul the nation’s healthcare system.

And according to estimates from the Kaiser Family Foundation, it could mean higher insurance premiums in several states – most notably Alabama, Arizona, Iowa, Nebraska and North Carolina.

But Ben Wakana, a spokesman for the Department of Health and Human Services, said that the Obama administration expected there to be “changes and adjustments in the early years with issuers both entering and exiting states.”

Wakana added that “it’s clear that this is a growing business for insurers, and it’s a product consumers want and need.” He added that the success of the exchanges should not be judged by the decision of just one individual insurer.

Still, the industry is also in the midst of massive consolidation – which is often good news for investors and bad news for consumers.

UnitedHealth rivals Aetna (AET) and Humana (HUM) are merging. So are Cigna (CI) and Anthem (ANTM). That means that the industry could be about to go from five big players to only three.

But Cynthia Cox, associate director of health reform and private insurance at Kaiser, said this won’t be the death of Obamacare.

She noted that UnitedHealth has been more cautious about entering the ACA markets than its competitors. Hemsley had warned previously that claims tied to the Obamacare exchanges were costlier than expected.

And other insurers that focus on Medicaid and Medicare plans, such as Centene (CNC), are more prominent players in the state exchanges.

Still, Wall Street applauded the news. Shares of UnitedHealthcare rose nearly 1.5%. It helped that the company’s earnings and revenue topped forecasts. UnitedHealth also boosted its financial targets for the year.

UnitedHealth Group Will Retreat To ‘Handful’ Of Obamacare Markets

By Bruce Japsen
[Forbes](#), April 19, 2016

UnitedHealth Group Will Retreat To ‘Handful’ Of Obamacare Markets

Deserting ObamaCare: UnitedHealth, Nation’s Largest Health Insurer, Bolts, Fears Huge Losses

[Fox News](#), April 19, 2016

The nation’s largest health insurer, fearing massive financial losses, announced Tuesday that it plans to pull back

from ObamaCare in a big way and cut its participation in the program's insurance exchanges to just a handful of states next year – in the latest sign of instability in the marketplace under the law.

UnitedHealth CEO Stephen Hemsley said the company expects losses from its exchange business to total more than \$1 billion for this year and last.

Despite the company expanding to nearly three dozen state exchanges for this year, Hemsley said the company cannot continue to broadly serve the market created by the Affordable Care Act's coverage expansion due partly to the higher risk that comes with its customers.

UnitedHealth Group Inc. said it now expects to lose \$650 million this year on its exchange business, up from its previous projection for \$525 million. The insurer lost \$475 million in 2015, a spokesman said.

UnitedHealth has already decided to pull out of Arkansas, Georgia and Michigan in 2017, and Hemsley told analysts during a Tuesday morning conference call that his company does not want to take the financial risk from the exchanges into 2017.

"We continue to remain an advocate for more stable and sustainable approaches to serving this market," he said.

The state-based exchanges are a key element behind the Affordable Care Act's push to expand insurance coverage. But insurers have struggled with higher-than-expected claims from that business.

A recent study by the Blue Cross Blue Shield Association detailed how many new customers nationwide under ObamaCare are higher-risk. It found new enrollees in individual health plans in 2014 and 2015 had higher rates of hypertension, diabetes, depression, coronary artery disease, HIV and Hepatitis C than those enrolled before ObamaCare.

On the heels of Tuesday's announcement, Sen. Ben Sasse, R-Neb., said in a statement it's a sign of "the President's broken promise that families would have more choices under ObamaCare."

The Kaiser Family Foundation, in an analysis on the prospect of United's exit, said "the effect on insurer competition could be significant in some markets – particularly in rural areas and southern states" if it is not replaced.

In the most extreme scenario, "If United were to leave the exchange market overall, 1.8 million Marketplace enrollees would be left with two insurers, and another 1.1 million would be left with one insurer as a result of the withdrawal," the analysis said.

UnitedHealth had moved slowly into the newly created market by participating in only four exchanges in their first year, 2014. But the company then expanded to two dozen exchanges last year and said in October it would add to that total. It currently participates in exchanges in 34 states and covers 795,000 people

A month after announcing its latest exchange expansion, UnitedHealth started voicing second thoughts. The insurer said in November that it would decide by the first half of this year whether to even participate in the market for 2017.

Insurers say they have struggled, in particular, with customers who have signed up for coverage outside regular enrollment windows and then dumped expensive claims on their books, a problem the government has said it would address.

A dozen nonprofit health insurance cooperatives created by the ACA to sell coverage on the exchanges have already folded, and the survivors all lost millions last year.

Other publicly traded insurers like Aetna have said that they have lost money on this business as well. But some companies, like Molina Healthcare, have said they have managed to turn a profit from the exchanges.

Analysts expect other insurers to also trim their exchange participation in 2017, especially if they continue to struggle with high costs.

The Associated Press contributed to this report.

Zika Funding Fight Reignites

[Roll Call](#), April 19, 2016

The Obama administration has not given a breakdown of how much money it wants to spend to combat the Zika virus in fiscal 2016 and 2017, a major hurdle in constructing an emergency spending measure, the top House lawmaker on spending matters said.

At the same time, the administration has prepared an updated Zika request for the Department of Health and Human Services and a copy given to CQ Roll Call by a Democratic source shows that it would boost funding for vaccine research and development. The document compares requests from Feb. 22 and April 18.

The source said vaccine development has come more quickly than anticipated and the agency wants to test multiple candidates for a vaccine in an effort to increase viable options.

In Congress, House Appropriations Chairman

Harold Rogers continued his war of words with the administration over the emergency supplemental.

"For several months now, we've been trying to find out what is absolutely needed now, in '16, in order to find out whether or not the moneys left over from Ebola [are] enough to cover the rest of this fiscal year," Rogers told CQ Roll Call late on Monday, prior to the disclosure of the administration's updated request. "But we simply cannot get adequate information from the administration about what moneys they absolutely need today and what they need for '17, and we simply haven't gotten it."

Rogers was referring to fiscal years 2016, which is more than half over, and fiscal 2017, which begins Oct. 1.

When asked whether the real problem was that the administration won't give a breakdown allocating the needed Zika money between the fiscal years, Rogers replied, "That's a big part of it, yes."

Rogers said the information was important to have a clearer picture of what kind of dent the \$589 million the administration redirected from the Ebola effort this month could make to combat the Zika virus.

"My present information leads me to believe that that's plenty of money for this fiscal year. We have five months left," Rogers said, referring to the redirected funds. "So, we can't do much without hard information. We have to have justifications that they simply haven't given us."

The virus is primarily transmitted through mosquitoes and has been linked to birth defects.

So far, authorities have reported nearly 700 cases in the United States and its territories. About half the total cases — those in Puerto Rico — primarily originated locally, while the remainder in the U.S. were transmitted by travelers.

U.S. health officials warned earlier this month that mosquitoes carrying the Zika virus were present in 30 states. Those officials do not expect a wide-scale outbreak in the continental U.S., but they warned that Zika could still be a big problem and that they lacked funds to head that off.

The updated Zika request from the administration redirects previously allotted moneys from an agency-wide contingency fund as well as laboratory construction and expansion projects toward vaccine research and development.

The National Institutes of Health has indicated it needs funding for both Phase I and Phase II of vaccine development, the source said. Although Phase II testing will not occur until 2017, the preparation necessary for implementation of those trials would require additional funding in fiscal 2016.

Funding for NIH research, including vaccines, is boosted in the updated request from \$130 million to \$277 million. Vaccine funding as well as funding for diagnostic development and procurement through the HSS also jumps from \$100 million to \$188 million.

House Republicans and the administration have repeatedly butted heads over Zika virus funding in recent weeks.

On Wednesday, Rogers likened the administration's original \$1.9 billion request sent in February to a "slush fund." The House passed a bill on April 12 to creative incentives for drug makers to speed work on Zika treatments but the legislation did not contain the emergency funds requested by the White House. On Friday, Rogers also waved off the request of Democratic appropriators to hold a special meeting on the issue.

An aide to House Speaker Paul D. Ryan said Thursday that the request was "merely an outline," and suggested the administration was more interested in politicizing the issue.

On the Senate side, Democrats are also pushing for Zika funding but finding scant support among their Republican colleagues.

On Monday, some 40 Senate Democrats as well as independent senators Angus King of Maine and Bernie Sanders of Vermont signed a letter urging Senate Majority Leader Mitch McConnell, R-Ky., and Senate Appropriations Chairman Thad Cochran, R-Miss., to "immediately" begin work to pass a bill funding the administration's request.

Obama's \$1.9 Billion Zika Request: "Slush Fund," Or Needed Flexibility?

By Gregory Korte

[USA Today](#), April 19, 2016

WASHINGTON — The \$1.9 billion emergency spending request President Obama has sent to Congress to battle the Zika virus is about the closest thing to a blank check that Obama could ask for.

While most federal spending bills are limited to one or two years, the Zika money the White House is seeking has no expiration date and the funds will "remain available until expended." And the request contains broad transfer authority, allowing the administration to move funds for the Centers for Disease Control and Prevention across line items and even to other agencies, including Department of Defense, the Environmental Protection Agency and the U.S. Department of Agriculture.

But that broad request is similar to previous emergency spending requests made by President George W. Bush to fight the avian flu in 2005, and Obama to combat Ebola in 2014. Each time, Congress has given the president most of the money he requested — but with tighter strings attached.

That's the backdrop for the high-stakes scuffle over Zika funding between the White House and Congress, which spent much of last week arguing over whether the Obama administration had provided enough detail on how it planned to spend the money.

House Republicans say they're open to an emergency spending bill — just not one as open-ended as the president is seeking.

"So when the administration requested that \$1.9 billion supplemental, which was just almost a slush fund across the government, the money could be used for any purpose," House Appropriations Committee Chairman Hal Rogers said last week. "We said, 'Look, we don't do business that way. We appropriate the taxpayer's dollars in a responsible, direct way, with details we can all understand.'"

Ron Klain, who served as Obama's Ebola "czar" for four months at the height of the Ebola crisis, said there's a reason for seeking that broad spending authority.

Unlike Ebola, Zika can be spread through mosquitoes, with cases already confirmed in the United States in people who recently traveled to Zika-prone countries. The symptoms of the virus are usually mild in healthy adults, but can cause severe birth defects in the babies of pregnant women infected with the virus.

Like Ebola, Klain said, Zika can be unpredictable.

"The flexibility is important because it still isn't clear what tools will be needed where to most effectively fight Zika," he said. "The disease and the mosquitoes don't respect the boundaries of fiscal years. The response can't either."

That flexibility is somewhat extraordinary, said Roy Meyers, a former analyst with the Congressional Budget Office who now studies federal budgeting at the University of Maryland, Baltimore County.

"It does seem like a case where a perceived crisis is viewed as an opportunity — either to increase CDC and related spending, or to blame the GOP for obstructionism," he said. "But I think Chairman Rogers is overstating the case about a 'slush fund.'"

He noted that presidents of both parties have sent up similar requests, as President Bush did in 2005 with a \$7.1 billion "no-year" spending request to address the avian flu. Congress curtailed that to \$3.8 billion in 2005, but then approved another \$2.3 billion in 2006, structuring each bill to require some of the funding to be spent in a specific fiscal year.

But the biggest frustration for Michael Leavitt, then Bush's health secretary, was that the Republican-controlled Congress also restricted his ability to transfer money as the flu progressed.

"There is a dilemma in dealing with pandemics," Leavitt said. "Before a pandemic strikes, everything proposed seems alarmist. And after a pandemic strikes, everything seems insufficient."

After successfully containing Ebola in Africa, Leavitt said, there's a tendency to become complacent about pandemics. "These things don't always pan out, but eventually one will," he said. "The consequences of being wrong are tragic, and the politics are simply explosive. They're cataclysmic."

But Leavitt says he understands Congress has a job to do, too.

"That doesn't mean you can't scrutinize proposals. You just have to do it fast," he said. "Time is so important. As time ticks away, your capacity to get out ahead of it diminishes."

White House Press Secretary Josh Earnest noted Monday that the White House sent up its funding request in February.

"That's a significant problem, particularly when you consider that there's no good reason that Congress hasn't acted," he said. "And the opportunity to get ahead of this potentially serious situation is washing away. And that's a significant problem."

Obama Officials Warn States About Cutting Medicaid Funds To Planned Parenthood

By Lena H. Sun

[Washington Post](#), April 19, 2016

The Obama administration on Tuesday warned officials in all 50 states that actions to end Medicaid funding of Planned Parenthood may be out of compliance with federal law.

Ten states have taken action or recently passed legislation to cut off Medicaid funding to Planned Parenthood after antiabortion activists released covertly filmed video in the summer purporting to show that the women's health organization and abortion provider illegally sold fetal tissue for a profit. Planned Parenthood supporters have criticized the videos as deceptively edited, and multiple state investigations have turned up no wrongdoing on the part of the organization.

The 10 states are Alabama, Arkansas, Arizona, Florida, Louisiana, Kansas, Missouri, Oklahoma, Texas and Wisconsin.

The Medicaid defunding is part of a broader set of actions that have been taken by 24 states against Planned Parenthood since July, advocates said. In recent months, courts have blocked efforts to restrict access to care at Planned Parenthood in Alabama, Arkansas, Louisiana and Utah.

Cecile Richards, president of Planned Parenthood Federation of America, said in a statement that in recent months, "These political attacks on our patients have gone from a simmer to full rolling boil."

She added: "What they couldn't do in Congress, they're now trying to do state by state, and jeopardizing care for more than half a million people."

Federal health officials said the letter from the Centers for Medicare and Medicaid Services is being sent to all state Medicaid offices to clarify that terminating certain providers from Medicaid is only justifiable if those providers are unable to perform covered medical services or can't bill for those services. The guidance emphasizes that states cannot target providers for impermissible reasons and are required to treat similar types of providers equitably.

"CMS is sending a letter to all states to ensure they have a clear understanding of their obligation to follow longstanding Medicaid law guaranteeing that beneficiaries have the right to receive covered services, including family planning services, from any qualified and willing provider of

their choice,” according to Marissa Padilla, a spokeswoman for the federal Health and Human Services department.

CMS has communicated with the individual state Medicaid offices in the past, but this is the first time the agency has warned all the states collectively, officials said.

Federal law prohibits federal Medicaid dollars from being spent on abortion services except in extraordinary circumstances, such as when the woman’s life is in danger, or in cases of rape or incest.

Inquiry Halts Work At Two NIH Labs

Facilities cited for ‘quality and safety’ issues; no evidence patients were harmed

By Thomas M. Burton

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

How Loretta Lynch Has Investigated The Police And Not Made Them All Hate Her

By Matt Zapposky

[Washington Post](#), April 19, 2016

INDIANAPOLIS — Sitting across from the attorney general in a plush green chair, Indianapolis police patrolman Jeff Patterson talked of the colleagues he had seen killed, the others who had taken their own lives and the stress that had left him staring for hours at his computer screen when he was supposed to be working.

Loretta E. Lynch stared at him intently and nodded, offering only occasional comments. For Patterson, just that was meaningful.

“Thank you for caring,” he said, his eyes welling with tears. “It’s the first time that anybody has.”

Since she took office a year ago, Lynch has made a point of mending relations between the Justice Department and local police, even as the two sometimes find themselves at odds in civil rights investigations and use-of-force cases. Indianapolis was the ninth stop on her Community Policing Tour, in which Lynch visits various cities across the country to chat with officers and commanders about their work and their relationship with residents.

“Look, we’re all law enforcement,” Lynch said in an interview. “As part of my role as attorney general, I think it’s important that the Department of Justice have a strong working relationship with our state and local counterparts. Frankly, it also makes for better policing. It makes for safer policing.”

The tour is part public-relations campaign and part opportunity for officers and their bosses to chat with the country’s top law-enforcement official about problems. The particular objective in Indianapolis was to highlight the police department’s efforts to promote officer safety and wellness through a program meant to encourage those experiencing

mental-health problems to seek help. But the trip also helps improve the Justice Department’s reputation among those patrolling city streets.

Lynch sat in on an Indianapolis police training class and a roll call and spoke at a roundtable of officers, community leaders and health professionals. She more than once paused to recognize two officers killed in the line of duty — Officer Steven Smith of Columbus, Ohio, and Sheriff’s Deputy Carl Koontz of Howard County, Ind. — a point that resonates with police.

Lynch met personally for nearly an hour with Patterson and his wife, Teresa, continuing the conversation even as her staffers tried gently to get her to leave for her next event.

Patterson, 53, told Lynch about the grisly crime scenes he had witnessed, the problems the job caused in his home life and the inhospitable attitude among officers toward those in their ranks with mental-health problems. He said he received a diagnosis of post-traumatic stress disorder five years ago, and he hoped the attorney general would push for national standards so that others in his situation would not face professional setbacks for seeking help.

“It’s one of the things I’ve had to do,” Patterson said.

“Takes a lot of strength, actually,” Lynch responded.

That is not to say that Lynch is universally loved by those in local law enforcement, or that she is dialing back the Justice Department’s role in investigating and prosecuting alleged police wrongdoing.

Under Lynch, the department has opened major pattern-or-practice civil rights investigations of the Chicago and Baltimore police departments and has negotiated consent decrees with several others, requiring local leaders to implement significant and sometimes costly reforms. In fiscal 2014 and 2015, the Justice Department charged 129 people working in law enforcement with civil rights violations.

The department sued the city of Ferguson, Mo., when local leaders balked at signing an agreement to implement reforms, and the city ultimately agreed to the changes that Lynch’s department had sought. Lynch also has — to the chagrin of some police officers — said there is “no data” backing the existence of what has been called the “Ferguson effect,” an idea that officers are policing their communities less aggressively out of fear of becoming embroiled in high-profile incidents. FBI Director James B. Comey is among those to say that there is legitimacy to the theory.

Lynch defended her position in an interview and said other people’s views might be a reaction to the “uncertainty” that comes with changes in the profession.

“There is no data to support it, and certainly the officers and chiefs that I’ve talked to, you know, feel very much that their officers are still engaged, still committed and still dedicated to protecting and serving their communities,” Lynch said.

In Cleveland — which reached a consent decree the month after Lynch was confirmed in her job — the attorney general's tour has not done much to allay the concerns of officers that they cannot always count on the backing of those in the highest levels of government, said Steve Loomis, the president of the Cleveland Police Patrolmen's Association.

Loomis said that he thinks federal investigators came to "completely false conclusions" about the police department and that he wishes Cleveland leaders had pushed back in court. He said that the investigation was "politically motivated" and that it was difficult to reconcile the "sound bites" from Lynch's visits to local police departments with the Justice Department's actions.

"If you're going to come out and do listening tours and act like you're listening, then you have to act on what you're hearing, and she's not doing that," Loomis said.

But Lynch has made some progress mending relations with police that might have been frayed because of her predecessor's outspokenness on race and civil rights issues, other union officials said.

Jim Pasco, executive director of the National Fraternal Order of Police, said that when he first met Lynch, he was "prepared to be unimpressed" by a U.S. attorney who at the time was not particularly high-profile. But what was to have been a 15-minute meeting with FOP leaders during Lynch's attorney-general confirmation process turned into a vigorous, 45-minute discussion, and at a reception some days later, Lynch approached him to press a point she had forgotten to make earlier.

Pasco said that he was "pretty impressed by that" and that he has maintained a close relationship with the Justice Department through one of Lynch's top lawyers, Vanita Gupta, who heads the Civil Rights Division and with whom Pasco said he speaks three or four times a week.

Lynch's tour has included Birmingham, Ala.; Richmond, Calif.; Cincinnati; and Pittsburgh. She has three stops planned, in Fayetteville, N.C., Phoenix and Los Angeles. This year's visits take her to cities that Justice Department officials think are implementing policies spelled out by the president's Task Force on 21st Century Policing, a group of police, civic and academic leaders asked to research best practices in local law enforcement.

An explosive event could, of course, instantly sour any good relationships that have been built. Union leaders said officers were critical in particular of strident rhetoric that then-Attorney General Eric H. Holder Jr. used in the aftermath of the fatal shooting of an African American, 18-year-old Michael Brown, by a white police officer in Ferguson, Mo., in August 2014. The Justice Department, while finding broader race-related problems with law enforcement in the city, ultimately did not charge the officer in that case.

Prosecutors under Lynch have recently been presenting evidence to a grand jury in the death of Eric

Garner, 43, whose video-recorded takedown by New York City police officers sparked national outrage. Lynch declined to comment on that case specifically but said her tour would not change the way the Justice Department investigates and prosecutes officers who are accused of wrongdoing.

"They have to trust that we look at these cases thoroughly, fairly, independently, efficiently, but the same way every time," she said.

In Body-Camera Push, Taser Schools Cities On No-Bid Deals

Police-equipment maker offers local officials guidance on contracts and trips to conferences

By Zusha Elinson And Dan Frosch

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Steny Hoyer To Conservatives: Stop Blocking Ex-Im Bank Nominee

By Tom Howell Jr.

[Washington Times](#), April 19, 2016

House Minority Whip Steny Hoyer pleaded with a key Senate Republican Tuesday to reconsider his "frustrating" decision to block a nominee to the Export-Import Bank, arguing his blockade is holding back an agency that enjoys majority support from Congress.

A product of the New Deal, the bank known as "Ex-Im" financed the sale of U.S. goods overseas for eight decades until its charter lapsed last summer.

Conservatives said the bank disrupted the free market with "corporate welfare" and should die off, but Mr. Hoyer, Maryland Democrat, and centrist Republicans made an end-run around House GOP leaders to revive the bank, which also received two-thirds support from the Senate.

Now, Senate Banking Committee Chairman Richard Shelby is refusing to consider J. Mark McWatters' nomination to the board, saying the bank has outlived its usefulness and should unwind its remaining obligations.

The board has two sitting members and cannot approve transactions over \$10 million unless it forms a quorum by obtaining a third member, meaning clients like Boeing can't finance its bigger deals.

Mr. Hoyer said the vast majority of Capitol Hill lawmakers support a "vibrant, working Export-Import Bank."

"To the extent that it is not working, it is undermining American jobs and America's economy," he said. "I would urge Sen. Shelby to remove his hold."

Senate Majority Leader Mitch McConnell, Kentucky Republican who recommended Mr. McWatters to the White House, opposes the bank in principle but has also urged Mr. Shelby to proceed with the nominee.

"I'm not a supporter of Ex-Im Bank, but 65 senators were," Mr. McConnell told reporters last week. "And I would hope the committee would report out the nominee, and if the committee reports out the nominee, I'll be happy to take it up."

Yet a series of outside conservatives groups have backed Mr. Shelby, who is seeking reelection this year.

"Advancing any nominee to the Export-Import Bank's board of directors — and therefore making possible financing deals in excess of \$10 million — would open the floodgates to billions of dollars in taxpayer subsidies being doled out to some of the largest and most well-financed companies in the world," Richard L. Ribbentrop, a senior vice president at the Freedom Partners Chamber of Commerce, wrote this week in a letter to Mr. Shelby.

Club for Growth President David McIntosh extended similar kudos to Mr. Shelby last week and urged Mr. McConnell to let him "run his committee as he sees fit."

This isn't the first time that fights over Ex-Im have rattled the Senate GOP conference.

Sen. Ted Cruz, Texas Republican running for president, raised eyebrows by accusing Mr. McConnell of telling a "flat-out lie" to the conference by saying there was no special deal to give Ex-Im supporters a vote on the bank.

Mr. McConnell said he had been clear about giving the bank's supporters a vote, given its level of support in the chamber.

Institutional Racism Is The Problem, Not The 1994 Crime Bill

By Amber Ferguson

[Huffington Post](#), April 19, 2016

Vice President Joe Biden defended his role in drafting the 1994 crime bill, saying on Monday that "black lives really do matter, but the problem is institutional racism in America."

The vice president said during an interview with CNBC that he's "not at all" ashamed of the controversial bill that former President Bill Clinton signed into law. Biden praised the Violent Crime and Law Enforcement Act for putting "100,000 cops on the street" and creating drug courts.

"When community policing was working, neighborhoods were not only safer but they were more harmonious," Biden said.

Sometimes residents had cops' phone numbers, he explained, so they felt as if they could call police and report crimes without fearing retaliation from their neighbors.

Rep. Bobby Rush (D-Ill.) apologized last week for signing the crime bill.

"Crack cocaine and the crime bill were the two worst issues, problems, catastrophes that the black community has suffered from in the last 15 years," Rush said.

The 1994 crime bill was largely detrimental to the urban poor and people of color because it sparked a wave of mass incarceration.

Biden To Critics: We Had 8 Atom Bombs Land On Our Desk

By John Harwood

[CNBC](#), April 19, 2016

ABOARD AMTRAK ACELA #2166 — Joe Biden, 73, has been an influential figure in American politics for more than four decades. He won a U.S. Senate seat from Delaware in 1972, and took office the following year despite losing his wife and young daughter to a post-election auto accident.

Biden rose to chair the Senate Judiciary Committee, where he presided over the explosive Supreme Court confirmation fights over Robert Bork and Clarence Thomas, and later the Foreign Relations Committee. He unsuccessfully sought the Democratic presidential nomination in 1988 and again in 2008, when Barack Obama tapped him as his general election running mate.

Vice President Biden considered a third try for the presidency this year. But he bowed out of the race after losing his son Beau Biden, himself a rising Delaware politician, to brain cancer last year.

He sat down with me for an interview aboard a Washington-to-Wilmington Amtrak train, part of his daily commute while serving in the Senate, to reflect on his career, the 2016 debate, and the future of American politics. What follows is a condensed, edited transcript of the conversation.

HARWOOD: So George H.W. Bush was weak, Dan Quayle was dumb, Al Gore was wooden, Dick Cheney was Darth Vader. Do you feel sympathy for those guys, having done this for seven years? And are you comfortable with Goofy Uncle Joe?

BIDEN: No, I'm not comfortable with goofy Uncle Joe. But one of the things that's important to know — and one of the reasons why, when I first got asked about this job I said no — is there is no inherent power in being vice president.

And so when the president asked me to consider this again — and I said yes — he said, "What do you want?" I said, "I want to be the last guy in the room." Every assignment he's given me, I've not had to check back. I ran the Recovery Act — beginning, middle and end. I did the Iraq thing.

And by the way, the so-called goofy Uncle Joe — if you notice, I beat every Republican in every poll when they thought I was running. You notice that my favorability was higher than anybody that's running for office in either party.

Hillary: I'm against bad behavior, not business

HARWOOD: As you reflect on the span of your career, both in the Senate and in the administration, what do you

think of as things that you and your peers got done, succeeded at? And what do you think you haven't gotten done, left on the table?

BIDEN: Back in the in the '70s, we ended that damn war. That's why I ran, the Vietnam War. We really did begin to put America back together again in terms of how divided it was. We began to roll out a foreign policy that was more rational.

We focused on education. We provided for more opportunity to get access to college. And maybe the biggest change was the work that I'm proud to be part of (in) changing the circumstances for women in America.

HARWOOD: But here's one thing you guys haven't gotten done. And I don't mean you specifically, the whole political system. The stagnation of middle class incomes began shortly after you came to the Senate. How do you feel about the failure of our political system to do that?

BIDEN: I feel that is a failure.

HARWOOD: On your side, Bernie Sanders is pointing to that stagnation in middle class income. And the argument that he's making is that you guys have done some good things, but you've been playing small ball. That we're not thinking big enough, and that we can't have fundamental change. Do you plead guilty to playing small ball in this administration?

BIDEN: No. Here's what I plead guilty to. We had about eight atom bombs dropped on our desk. It took us the auto recovery, it took us Dodd-Frank, it took us the Recovery Act, it took us all those God-awful difficult things we had to do, including raising the top rate for the wealthiest America so there's \$600-billion more income now — it took us five years to get that done.

HARWOOD: When you hear (Sanders) say Dodd-Frank didn't go far enough, break up the banks; not just free community college, free college; bigger tax increases, bigger programs — is that just campaign talk that can't possibly be realized?

BIDEN: No, it can be. It can be. But what I don't see enough of is the explanation of how to do that. But I do think that Bernie has raised a very legitimate issue that has consequences beyond the way Bernie talks about it. We have maybe 24 percent, 24.1 percent of all the income in America earned by 1 percent of the people. That hasn't happened since 1922, I believe.

HARWOOD: Forty years, good times and bad, you rode this train both ways. What has it meant to your life?

BIDEN: It's basically meant everything in my life. Everyone from the guy at the shoeshine stand to the ticket folks, they became my friends and my family.

And you look out and I used to think, when things were tough, you'd look out at night, going home, and you'd see people in their dining rooms or in their kitchens, and I used to wonder what they're thinking. Because this is sort of a

middle-class path. It's been literally my lifeline between Wilmington and Washington.

HARWOOD: You guys have tried consistently through the administration to tax what they call carried interest as ordinary income. When you started doing that, a big Wall Street guy, Steve Schwarzman, said the Obama Administration's like Hitler invading Poland. How do you react to criticism like that? And I would note: You guys haven't been able to get it done.

BIDEN: I'd say it's like us liberating death camps. The truth of the matter is, there's no justification for a hedge fund paying at 15-17 percent. There's just no justification. Everyone from Warren Buffett ...

HARWOOD: Why haven't you been able to get it done?

BIDEN: Two reasons. I kid the President, "Mr. President, everything's landed on your desk but locusts." We haven't had the clear space to do nothing but talk about how unfair the tax system is as it relates to the tax expenditures, loopholes we want to eliminate.

And consequently what happens is a lot of people can go home, if you're a Republican, and say, "These Democrats are just going after business." Well, if I sit here and explain to everyone — I don't have to, your camera crew and everybody's really bright — and I say, "Well, let me tell you what carried interest is, this means that you're paying at 30 percent, they're paying at 17 percent, and some of them made \$1 billion. Twenty-eight made \$1 billion." Think that's fair?

They'll say, "Well, maybe, if they do something super special with that \$1 billion that makes it why they should be rewarded." They're playing with other people's money. If you take a risk to start a business and you make money, you pay less taxes — because you took a risk. Well, that's because you used your own money.

HARWOOD: You see the next president winning on that? (Donald) Trump said he wants to get rid of it.

BIDEN: Yes. It's not going to be sustainable. But every time we started to focus on our budget, and we're talking about how we really want to focus on the unfair elements of the tax expenditures, then along comes Zika. I mean, literally.

It's not an excuse. My father used to have an expression, "Never complain, never explain." Well, there is a context here. The context is that the first five years of this administration have been essentially just figuring out how do we keep us from going over the cliff? How do we get us back up and running?

Fed takes on too much: Congressional leader Brady

HARWOOD: Another thing about how perspectives change over time. Bobby Rush, member of Congress, said the other day, "I'm ashamed that I voted for the '94 crime bill." Are you ashamed of that bill?

BIDEN: Not at all. And in fact, I drafted the bill, as you remember.

We talk about this mostly in terms of Black Lives Matter. Black lives really do matter, but the problem is institutional racism in America. That's the overarching problem that still exists. And we should be talking about it, and looking at the legacy of racism in housing and in jobs and so on.

Having said that, take a look at the crime bill. Of the money in the crime bill, the vast majority went to reducing sentences, diverting people from going to jail for drug offenses into what I came up with: The drug courts. Providing for boot camps instead of sending people to prison so you didn't re-learn whatever the bad thing that got you there in the first place. Put 100,000 cops on the street.

When community policing was working, neighborhoods were not only safer but they were more harmonious. The reason why the cops originally opposed my 100,000 cops, this community policing piece, is because it's high intensive and it means they've got to get out of their cars. So they literally got out of their cars and learned who owned the local drugstore, the local neighborhood bar, whatever.

And they were engaged in the neighborhood. Which built confidence so that the African American woman, living in a corner alone where the drug deal's going down in front of her house, literally used to have your phone number as a cop. She'd call you and say "John, they're out in front of my house. But you're not giving me away, right, John?" And he didn't. So we had enormous success.

Now what's happened is we've cut the funding 85 percent. We're going through Baltimore now. Look at the areas we're going through here. I'll lay you eight-to-five, the Baltimore Police Department is considerably smaller than it was in 1985.

There are things I would change. I opposed, for example, the carjacking provision that the administration wanted in. But by and large, what it really did: it restored American cities.

HARWOOD: You guys are hung up on the Garland (Supreme Court) nomination right now.

BIDEN: Yeah, we are.

HARWOOD: Some people say this is evidence of this nomination process being broken. Bork, Thomas — do you feel responsible at all for helping break it?

BIDEN: Not at all. What we did in Bork and Thomas — and there's a couple law review articles I wrote at the time — Haynsworth and Carswell before that, when they went after folks they'd used to always say it's on ethical grounds when they were really, legitimately opposed to the ideological component.

The reason why there's a Federalist Society is that there are strict constructionists, and there are those who think it's a living Constitution, to oversimplify. So all I did was to say, "You can vote. The Senate has a right to vote against someone based upon if they think they're misinterpreting the Constitution."

I presided over more Supreme Court nominees than anybody living. Every single person who got nominated got a hearing. Everyone got a vote in committee. Even the ones who weren't voted out of committee, which required a majority vote to get out, I insisted they go to the floor to get a vote. Liberals were mad at me at that time because they said we could block (a nominee) in committee.

But the Constitution says the Senate shall advise and consent. Everyone got a vote on the Senate floor, even those we could have blocked by a filibuster, because it says the Senate shall advise and consent and not use Senate rules to avoid the intent of the Constitution.

Kasich: Sanders wrong on Wall St, it makes economy churn

HARWOOD: You gave a speech at Gridiron (dinner) and said politics were broken. Do you think that politics are broken equally in both parties? Because I think if you asked President Obama, he would say, "Look at the Republican nominating process. It's more broken over there."

BIDEN: I think both parties are responsible. But I really do think it started most on the right within the Republican Party. Remember when the Gingrich revolution happened, and all those new guys came? And then a lot of those guys got elected to Senate. They ran against the institution. I'm not making a value judgment — they ran against the institution. Hard to make it work when you run against it, talk about how bad it is.

And two of my Republican colleagues, very senior, said, "The crazies are coming." The people who thought that the Senate role was no different than the House. They were essentially the same institution, should operate the same.

But here's what has happened. Democrats and Republicans, and you saw it in the way some Democrats went after George W. Bush. I learned a lesson early on when I came on the floor one day going to a meeting with the majority leader. I was there four months. Jesse Helms was excoriating Ted Kennedy and Bob Dole for the precursor legislation to Americans with Disabilities Act.

I walked in for my weekly meeting with the majority leader, Senator Mansfield. In retrospect he was taking my pulse to see how I was doing. And he said, "What's the matter, Joe?" And I just ripped into Jesse Helms. I said, "He has no social redeeming value, this guy."

And he looked at me and he said, "Joe, what would you say if I told you Jesse and Dot Helms two years ago sitting in their living room in December and read an advertisement in the Raleigh paper, a picture of a young man in braces up to his hips, both legs, with crutches, saying, "All I want for Christmas is someone to love me and adopt me." What would you say, Joe, if I told you they adopted that young man?"

I said, "I'd feel like a jerk." He looked at me, he said — and I've never violated it since — "Joe, it's always appropriate

to question another man's judgment. It's never appropriate to question their motive because you don't know what it is."

If I question your motive, we can never get to a compromise. That's what's happened in American politics.

HARWOOD: One thing I think annoys people about politicians is those who don't feel that they can say what they really think. You've not suffered from that in the past.

BIDEN: No. I've made a lot of mistakes.

HARWOOD: Hillary Clinton is opposed to the Trans-Pacific Partnership. Is it not perfectly obvious to you that she's for the Trans-Pacific Partnership, and wants it to pass, but feels she can't say that in a Democratic primary?

BIDEN: I just said I'm not going to question people's motives. I'll take her at her word, and she changed her mind. Or that what ended up being the TPP, she doesn't like.

HARWOOD: (Former Defense Secretary) Bob Gates — how much did it sting when he said, "Joe Biden's been wrong about everything for 40 years?"

BIDEN: Oh, it didn't sting at all if you read what he had said beforehand about working with Joe Biden and my integrity.

And by the way, he sent me the most incredibly thoughtful letter when my son died, which really mattered.

But anyway, what I said to Bob, "Bob, I'm delighted to debate you. I was right about Gorbachev, you were wrong. I was right about Vietnam, you were wrong. I was right about it. We just happen to disagree." That was about substance.

HARWOOD: What did he say in that note to you?

BIDEN: He talked about what kind of father he thought I was. He talked about the sacrifice Beau had made, when he knew he didn't have to go to Iraq. And he talked about what kind of man Beau was. He knew him.

Everybody wants to be nice, and they were. But this was so pointed and personal that I called him, and wrote him. And, matter of fact, I wrote him another letter not long ago when I was going over some mail, just to tell him how much it meant. So I have great respect for Bob.

But, you know, I'm delighted to debate Bob on who was right and wrong.

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'Not At All' Ashamed Of 1994 Clinton Crime Bill

By Jenna Lifhits

[Washington Free Beacon](#), April 19, 2016

Vice President Joe Biden took credit for drafting the 1994 crime bill Monday, a piece of legislation that both then-president Bill Clinton and his wife have renounced.

Biden said that he was "not at all" ashamed of the controversial bill and underscored his role in crafting it.

"I drafted the bill, as you remember," he said and brushed off criticism that he said comes mostly from the activist movement Black Lives Matter.

"We talk about this mostly in terms of Black Lives Matter. Black lives really do matter, but the problem is institutional racism in America," Biden said, and went on to praise the bill for "reducing sentences," creating drug courts, and putting "100,000 cops on the street."

The bill has garnered criticism for contributing to high mass incarceration rates through its provisions, which included mandatory minimum sentences for minor offenses and a "three strikes" rule that mandated life sentences to offenders convicted of a violent felony and two or more other convictions.

Bill Clinton has since admitted that his policies were "overly broad instead of appropriately tailored," writing in a book about criminal justice that due to his crime policies, "some are in prison who shouldn't be, others are in for too long."

"We cast too wide a net and we had too many people in prison," Clinton told CNN in May, affirming two months later that he "signed a bill that made the problem worse."

Then-first lady Hillary Clinton was also a supporter of the bill but has since acknowledged that aspects of it were too broad and harsh.

"I think that a lot was done that went further than it needed to go and so now we are facing problems with mass incarceration," Clinton said in an August meeting with Black Lives Matter activists. She has been criticized for asserting the need to "end the era of mass incarceration" while herself contributing to it through such efforts as the crime bill.

Despite admitting the bill's flaws, the former first lady has stood by certain parts of it such as the provisions preventing violence against women. Her husband also found himself defending the crime bill in April, sparring with Black Lives Matter activists at a campaign stop for Hillary.

"She had nothing to do with it," Clinton said in response to the activists, one of whom yelled, "Hillary Clinton is a murderer!"

'Black Lives Matter' Joe Biden Decries 'Institutional Racism In America'

By Charlie Spiering

[Breitbart](#), April 19, 2016

Biden answered critics of his bill, saying he was "not at all" ashamed of helping draft the bill that increased incarceration rates of African-Americans by increasing prison sentences.

"We talk about this mostly in terms of Black Lives Matter," Biden said during an interview with CNBC's John Harwood. "Black lives really do matter, but the problem is institutional racism in America. That's the overarching

problem that still exists. And we should be talking about it, and looking at the legacy of racism in housing and in jobs and so on."

Biden's tone is remarkably different than Bill Clinton's, who has since expressed regret for signing the bill.

"I signed a bill that made the problem worse. And I want to admit it," Clinton said during a speech at the National Association for the Advancement of Colored People meeting in July.

Hillary Clinton has also spoken against her previous support of the bill.

"I'm sorry for the consequences that were unintended and that have had a very unfortunate impact on people's lives," Hillary Clinton said last week during the CNN Democratic primary debate in New York.

But Biden argued that it was largely a successful bill.

"[B]y and large, what it really did: It restored American cities," he said.

He argued that putting more police officers on the street was a good thing, but boasted that police organizations opposed the bill.

"The reason why the cops originally opposed my 100,000 cops, this community policing piece, is because it's high intensive and it means they've got to get out of their cars," he said. Read More Stories About:

Big Government, Hillary Clinton, Bill Clinton, Joe Biden, Black Lives Matter, racism, 1994 crime bill

Joe Biden Defends 1994 Crime Bill, Misunderstands Racism

By Charles Pulliam-Moore

[Fusion](#), April 19, 2016

On Monday, Vice President Joe Biden defended his 1994 endorsement of the sweeping Violent Crime and Law Enforcement Act recently recast into the national spotlight with problematic comments made by presidential hopeful Hillary Clinton.

"When community policing was working, neighborhoods were not only safer but they were more harmonious," Biden reasoned.

The bill, which then Senator Biden drafted and was signed into law by President Bill Clinton, led to a ban on assault weapons, created more than 60 new death penalty offenses, and saw a sharp rise in innocent people taking plea bargains rather than working their way through the system.

In 1996, Hillary defended criticisms of the rising incarceration rates of black men, which were partially connected to the Crime Bill, by invoking the racist myth of the "superpredator," people who supposedly possessed a natural predisposition for violence and crime.

"I'm not ashamed of [the Crime Bill] at all. As a matter of fact, I drafted the bill," Biden said to CNBC's John Harwood.

"We talk about this in terms mostly of 'black lives matter.' Black lives really do matter, but the problem is institutional racism in America. That's the overarching problem that still exists."

While Biden's correct that institutional racism is, in fact, a persistent problem in the U.S., his dismissal of the Crime Bill's significance suggests that perhaps his understanding of "institutional racism" as a concept is somewhat ill-defined.

Critics of the Crime Bill often point to it as being one of the major causes of the mass incarceration of black men in the U.S. today. Strictly speaking, that isn't entirely true. The Crime Bill played a part in the maintenance of a system that already disproportionately imprisoned black people, yes, but it did not create that system.

That being said, the Crime Bill didn't need to be the central catalyst behind mass incarceration to be considered a part of institutional racism. Rather, that fact that it worked to bolster preexisting practices is precisely what made it a part of a racist power structure.

Propagating the superpredator myth made it easier, intellectually, to justify violence against and imprisonment of black people. The Crime Bill did the same, only legally, using the power of a strengthened police force.

Wall St. Is Mostly Higher, Helped By Oil Prices

[Associated Press](#), April 19, 2016

United States stocks closed mostly higher on Tuesday, led by gains in energy, mining and financial companies.

The Dow Jones industrial average and the Standard & Poor's 500-stock index eked out small gains. The tech-heavy Nasdaq composite index closed modestly lower, reflecting a slump in technology stocks, which were dragged down by Netflix and IBM.

The gains in energy and mining companies came as prices for oil, copper and other basic materials rose.

Investors were focused mostly on the latest batch of corporate earnings reports and on what company managers had to say about their prospects for profits this year. This week, about 100 of the companies in the S.&P. 500 are due to report quarterly results.

"The market is focused on where we are going to be three months from now, five months from now," said Quincy Krosby, a market strategist at Prudential Financial. "It's all about the guidance."

The S.&P. 500 gained 6.46 points, or 0.3 percent, to 2,100.80. The Nasdaq fell 19.69 points, or 0.4 percent, to 4,940.33.

The Dow rose 49.44 points, or 0.3 percent, to 18,053.60.

Expectations for earnings over all are low this quarter, but several companies delivered results that put investors in a buying mood on Tuesday.

Johnson & Johnson gained 1.6 percent after its first-quarter earnings beat Wall Street's expectations. Higher sales of new prescription drugs and other medicines nearly offset a big hit from the strong dollar. The stock added \$1.75 to close at \$112.68.

The health insurer UnitedHealth Group added 2.1 percent after it reported strong results for the first quarter and raised its guidance for the year. The company also said it would cut back on participating in Affordable Care Act health care exchanges in an effort to stem losses related to the program. The stock rose \$2.69, to \$130.50.

Goldman Sachs's latest results gave its shares a lift. The investment bank's earnings beat Wall Street's estimates, even though its profit sank 56 percent from a year earlier. The stock rose \$3.63, or 2.3 percent, to \$162.65.

The railroad operator Kansas City Southern gained 4.6 percent after it posted larger-than-expected quarterly earnings. The stock climbed \$4.55, to \$96.02.

Some companies' quarterly snapshots and outlooks failed to impress traders. The streaming video company Netflix slumped 13 percent a day after it offered a disappointing forecast for subscriber additions and reported first-quarter revenue that fell short of financial analysts' forecasts. The stock lost \$14.06, closing at \$94.34.

IBM delivered improved first-quarter earnings thanks to a big tax refund, but also had lower revenue from weak software sales. The stock slid \$8.53, or 5.6 percent, to \$144.

Illumina, which makes genetic testing tools, sank 23.2 percent after it predicted that sales in the first quarter would be far lower than analysts had expected. Its shares were down \$41.25, to \$136.88.

Beyond earnings, the market pushed up prices for shares of mining and energy companies as the price of oil, natural gas, metals and other materials rose. Freeport-McMoRan gained 99 cents, or 9 percent, to \$12.01, while Newmont Mining rose \$1.45, or 4.9 percent, to \$30.91.

Williams was among the energy and drilling services companies that got a lift. It jumped \$1.33, or 8 percent, to \$18.01, and Oneok climbed \$2.23, or 6.9 percent, to \$34.39. Diamond Offshore Drilling rose \$1.41, or 6.3 percent, to \$23.76.

Benchmark United States crude rose \$1.30, or 3.3 percent, to settle at \$41.08 a barrel in New York. Brent crude, the international benchmark, gained \$1.12, or 2.6 percent, to \$44.03 a barrel in London. Natural gas jumped 15 cents, or 7.6 percent, to \$2.09 per 1,000 cubic feet.

The German DAX was up 2.3 percent, while the CAC 40, in France, was up 1.3 percent. The British FTSE 100 was up 0.8 percent.

In Asia, the Japanese Nikkei 225 rallied 3.7 percent after a sharp loss on Monday. The South Korean Kospi rose 0.1 percent, while the Hang Seng index, in Hong Kong, gained 1.3 percent.

In other energy trading, wholesale gasoline rose about 4 cents, or 3 percent, to close at \$1.48 a gallon. Heating oil added 2 cents, or about 2 percent, to close at \$1.26 a gallon.

Precious and industrial metals futures ended sharply higher. Gold rose \$19.30, or 1.6 percent, to \$1,254.30 an ounce; silver gained 72 cents, or 4.4 percent, to \$16.97 an ounce; and copper rose 6 cents, or 2.8 percent, to \$2.22 a pound.

In the bond markets, the price of the 10-year United States Treasury note fell by 4/32, to 9818/32. The yield rose to 1.79 percent from 1.77 percent.

In currency markets, the Japanese yen resumed its slide, with the dollar strengthening to 109.13 yen from 108.82 yen. The euro rose to \$1.1377 from \$1.1314.

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Democrats Are Winning The Supreme Court Fight Over Merrick Garland. Big Time.

By Chris Cillizza

[Washington Post](#), April 19, 2016

The fight over Merrick Garland, President Obama's nominee to fill the Supreme Court vacancy caused by the death of Justice Antonin Scalia, has been pushed almost entirely out of the news by the ongoing presidential primary battles. But, while it may be out of sight to most people, there's striking evidence in a new NBC-Wall Street Journal poll that Democrats are winning the message war over Garland.

This slide, from Democratic pollster Peter Hart's analysis of the data, tells that story:

Initially, public opinion was deeply divided – largely along partisan line, with Democrats on the side of a confirmation vote held before the end of the year and Republicans content with leaving the seat open until a new president took office. In March, opinion was moving toward the "vote this year" option. In the poll released Monday night, a majority now believe the Senate should hold a confirmation vote on Garland this year.

The next obvious question is where the change is coming? And, thankfully, Hart offers that up too.

Fascinating, no? The gains made by the "vote this year" crowd come, at least in part, by changing opinions of Republicans (plus 8 since March) and conservatives (plus 10). Even Republican primary voters have grown five percentage points more amenable to the idea of holding a vote on Garland this year.

Now, there's a BIG difference between saying that you'd prefer the Senate hold a confirmation vote on Garland this year and actually voting with that issue in mind on Nov. 8. The classic example of this is campaign finance reform.

Large majorities of people, when polled, say that there should be less money in politics. And yet, it is an actual voting issue for a much, much smaller group. It's why campaigns that put money in politics at their center – Democrats in the last two midterms, for example – almost never win.

Simply because public opinion is moving in Democrats' direction on a Garland vote doesn't mean that Senate Republicans will cave anytime soon. Why? Because they know that the part of their party that might actually vote on how they handle this Supreme Court nomination still don't want a vote to happen.

But the movement in the polls to the Democratic view on Garland is unmistakable and will likely encourage Democrats and their affiliated groups to push even harder on GOP senators up this fall in swing states – and there are lots of them – to move off their current positions on Garland.

Congress Unlikely To Act On Puerto Rico Ahead Of Deadline

By Erica Werner

[Associated Press](#), April 19, 2016

Congress seems increasingly unlikely to take action to help Puerto Rico ahead of a May 1 deadline for the commonwealth to default on a nearly half-billion-dollar debt payment.

The blown deadline could push Puerto Rico and its 3.5 million American citizens further into crisis, exacerbating a growing fiscal and humanitarian disaster that's been largely drowned out by the raucous political campaign season on the mainland.

A GOP-led House committee abruptly canceled a vote on a Puerto Rico debt restructuring bill when it was short of votes last week. The bill is still being rewritten, and as of yet the vote has not been rescheduled, Natural Resource Committee Chairman Rob Bishop, R-Utah, said Tuesday.

"I'm not sure that on May 2 Armageddon takes place, but clearly I think it will illustrate that there is a significant problem," Bishop told reporters. "There are still some people out there saying there's not a problem... No, there is a problem, they will default on some portion."

Years of mounting fiscal problems are coming due on the island where residents are U.S. citizens but are barred from voting in presidential general elections. Tax policies written in Washington made matters worse in recent years by forcing investments and jobs out of Puerto Rico. Puerto Rico has been missing debt payments for months, but on May 1 another \$422 million worth of general obligation bonds come due and \$780 million more on July 1.

Bishop's legislation creating a new control board to manage the territory's finances has run into election-year opposition from all sides in Washington. Some conservatives are suspicious it would open the door to a bailout, Democrats

are balking at provisions added to sweeten the deal for conservatives, outside groups are weighing in, a high-spending ad campaign has opposed congressional action, and infighting among different groups of creditors has sown confusion on Capitol Hill.

With the bill still undergoing revisions, committee action is unlikely before next week at earliest. That makes final passage through the House and the Senate all but impossible before month's end.

Democrats blame Congress' failure to act on long-standing divisions among House Republicans who've failed to unite despite the leadership of their popular new speaker, Paul Ryan of Wisconsin. Ryan has sought to return power to committee chairmen and rank-and-file lawmakers, but on the Puerto Rico bill and other matters, the approach has yet to yield results.

"Puerto Rico is a crisis and they're not responding," said Rep. Steny Hoyer of Maryland, the No. 2 House Democrat, pointing to statistics showing high levels of unemployment and poverty in the territory as taxes rise and schools close. "They confront the same problem that John Boehner confronted, a very significant number of their party that won't follow leadership," Hoyer added, naming the former House speaker who was ousted by conservatives and replaced by Ryan.

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Senate Takes Up Energy Bill After 2-Month Delay For Flint

By Matthew Daly

[Associated Press](#), April 19, 2016

The Senate on Tuesday revived a wide-ranging bill that would promote a variety of energy sources, from renewables such as solar and wind power to natural gas, hydropower and geothermal energy.

The bill also would speed federal approval of projects to export liquefied natural gas to Europe and Asia, update building codes to increase efficiency and strengthen electric-grid safety standards among dozens of provisions.

Senate passage is expected this week. The measure must be reconciled with a House-passed bill that boosts oil and natural gas and speeds completion of environmental reviews for a proposed coal export terminal in Washington state. President Barack Obama has threatened the veto the House measure.

If approved by both chambers and signed by Obama, the bill would be first far-reaching energy law in nearly a decade.

"Moving forward with this act will help America produce more energy and bring us one step closer to being an energy

superpower,” said Sen. Lisa Murkowski, R-Alaska, one of the bill co-sponsors. “At the same time, it will help Americans save more money and save energy with all of the energy-policy provisions.”

The bipartisan bill is widely popular, but was delayed in early February amid a partisan dispute over sending hundreds of millions of dollars in emergency aid to Flint, Michigan, to fix and replace the city’s lead-contaminated pipes.

Michigan’s Democratic senators dropped the Flint provision last week after a months-long standoff with Sen. Mike Lee, R-Utah. Sens. Debbie Stabenow and Gary Peters said they would seek another way to get the Flint aid package through the Senate.

Congress last approved broad energy measures in 2005 and 2007, during the George W. Bush administration. The two laws aimed to boost U.S. energy independence by cutting reliance on imported oil, boosting fuel economy standards for cars and imposing a mandate for ethanol in gasoline.

Since then, the U.S. energy landscape has changed dramatically, as improved drilling techniques, including hydraulic fracturing, have sparked a years-long boom that has pushed the United States to lead become the world’s largest producer of oil and natural gas. Hydraulic fracturing, also known as fracking, involves injecting water mixed with sand and chemicals into underground rock formations, allowing oil and gas to flow.

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Exxon Tries To Bury Climate Documents By Claiming First Amendment Rights

[Huffington Post](#), April 19, 2016

ExxonMobil is fighting a subpoena seeking its internal documents on climate change, arguing that the order violates the company’s constitutional rights. It’s an argument that legal experts say is unusual but not unprecedented.

Earlier this month, U.S. Virgin Islands Attorney General Claude Walker initiated an investigation into whether Exxon misled the public on climate science. His office is

also requesting records

from the Competitive Enterprise Institute, a Washington, D.C.-based libertarian think tank to which Exxon has previously

provided funding. In that subpoena, the AG’s office accuses Exxon of defrauding the government and consumers, and “misrepresenting its knowledge of the likelihood that its products and activities have contributed and are contributing to climate change.”

Walker is one of a few state attorneys general that have announced

plans to use a variety of legal tools

against Exxon and other companies they believe have “deceived investors and consumers about the dangers of climate change.” The attorneys general from

New York,

California

and

Massachusetts

have all announced investigations into Exxon specifically.

But Exxon says Walker’s attempt to get its documents is politically motivated and a violation of the company’s rights. It

has filed its own lawsuit in a Texas court to block the subpoena.

“Defendants’ actions violate ExxonMobil’s constitutionally protected rights of freedom of speech, freedom from unreasonable searches and seizures, and due process of law and constitute the common law tort of abuse of process,” Exxon told a Tarrant County, Texas, court, according to

a filing posted by InsideClimate News.

The complaint says Walker’s inquiry will have a “chilling effect” on Exxon’s ability to engage in the climate change debate, and “discriminates based on viewpoint to target one side of an ongoing policy debate.”

Reporting from

InsideClimate News

and the Los Angeles Times

last year spurred

allegations that Exxon’s scientists internally recognized the risks of climate change while publicly questioning that science. Climate change activists have sought to capitalize on these news reports, launching an “Exxon Knew” campaign.

Exxon says reports on internal documents “deliberately cherry-picked statements attributed to various company employees to wrongly suggest definitive conclusions were reached decades ago by company researchers.”

The company should be willing to share more of its documents to prove that’s the case, said New York AG Eric Schneiderman. “We believe they should welcome our investigation, because unlike journalists we will be able to get every document,” he explained.

Exxon’s invocation of the First Amendment is fairly unusual for a business, according to John Coates, a professor of law and economics at Harvard Law School. The Supreme Court has ruled that corporations do have First Amendment rights, but they aren’t necessarily as broad as those afforded to individuals.

"Even the most right-wing and pro-business judge would not equate the speech rights of a business to that of individuals," he said.

There's a history of corporations asserting their First Amendment right to pay for political speech (usually through ads) – for example, in the 2010 Citizens United Supreme Court case – and to battle certain regulations. Coates' research has documented

a number of such cases. But it's uncommon for a company to simply assert that a request for information violates its right to free speech, he said.

"Exxon's theory here leads to the completely untenable result that anytime a multinational corporation acts in a way that elected officials, or public opinion, disagrees with – the corporation becomes immune from regulation because any regulation would interfere with its ability to promote 'its' opinions, however baseless or profit-motivated," Daniel Greenwood, a professor of law at Hofstra University, wrote in an email. "That isn't free speech; it is anarchy."

"The First Amendment protects free speech – not corporate autonomy to act as corporate management pleases without regard to the views of Americans or their officials," he continued.

But others have tried to defend the oil company's free speech rights on this topic. Washington Post columnist Robert Samuelson

argued in November
that Exxon's critics "

are essentially proposing that the company be punished for expressing its opinions."

Eric Jaffe, a Washington, D.C.-based appellate litigator, told The Huffington Post that Exxon might have a viable case, as corporations should be considered an association of people.

"Corporate First Amendment rights are just a species of associational rights that everyone has," he said. "The whole point of the First Amendment is, except in extremely rare circumstances, the government doesn't get to chill speech."

The Virgin Islands subpoena, he added, "is designed to chill speech that the attorney general doesn't like."

Corporations have so much money that many people worry giving them broad First Amendment rights will

drown out individuals' voices. This was at the heart of the 2010 Citizens United case, in which the Supreme Court essentially granted businesses, organizations and unions the right to make all the independent political expenditures they want, because it should be considered an extension of speech.

"We're heading in the direction of corporations getting even more rights than individuals," Coates said.

Jaffe disagrees, comparing corporations to wealthy individuals like Bill Gates.

"That's not a First Amendment argument," he said. "That's a social justice argument. Ordinarily we don't stop rich people from speaking because they have too much money."

The climate doubters at the Energy & Environment Legal Institute, a Washington-based think tank, are also defending Exxon and accusing the AGs of conspiring against the company. Using a Freedom of Information request, the group obtained and

released documents

showing that some of the AGs involved in the Exxon investigation met with climate scientists and activists who have sought to build a campaign against the oil giant. The group alleges

that the AGs "secretly teamed up with anti-fossil fuel activists in their investigations against groups whose political speech challenged the global warming policy agenda."

Walker and the other crusading AGs think there is good precedent for their investigation, however. At the event announcing their efforts to target Exxon and other fossil fuel companies, New York's Schneiderman said the group is looking at "creative ways to enforce laws being violated by the fossil fuel industry and their allies."

Former Vice President Al Gore also spoke at the event, and likened the probe to

the government's 1990s prosecution of tobacco companies

for misleading the public about the links between smoking and cancer. In that example, the

Department of Justice charged companies
with violating the

Racketeer Influenced and Corrupt Organizations Act, which was passed to fight organized crime.

"From the time the tobacco companies were first found out, it took 40 years for them to be held accountable under the law," Gore said. "We do not have 40 years to continue suffering the consequences of the fraud allegedly being committed by the fossil fuel companies where climate change is concerned."

Law Planned To Put Susan B. Anthony On \$10 Bill

Treasury secretary decided a public campaign would be better; decision could come within days

By Nick Timiraos

[Wall Street Journal](#), April 19, 2016

Full-text stories from the Wall Street Journal are available to Journal subscribers by clicking the link.

Criminal Charges Coming Wednesday In Flint Water Crisis

[Detroit Free Press](#), April 19, 2016

LANSING — Michigan Attorney General Bill Schuette will announce criminal charges Wednesday in connection with his ongoing investigation of the Flint drinking water crisis, three sources familiar with the investigation told the Free Press Tuesday.

Officials believe the city got artificially low lead readings because they didn't test the homes most at risk — those with lead service lines or other features putting them at high risk for lead. Among those to be charged is a City of Flint official who signed a document saying the homes Flint used to test tap water under the federal Lead and Copper Rule all had lead service lines — a statement investigators allege was false.

Schuette is to announce felony and misdemeanor charges against at least two, and possibly as many as four people, according to two other sources familiar with the investigation. The investigation is ongoing and more charges are expected, sources said.

The charges, which will be brought against individuals connected with the Michigan Department of Environmental Quality and the City of Flint, relate to the lead contamination of Flint's drinking water and not to the possible link between Flint River water and an outbreak of Legionnaires' disease that is tied to the deaths of 12 death people, one of the sources said.

Schuette, a Republican who is widely expected to run for governor in 2018, opened an investigation in January, tapping former Detroit FBI director Andrew Arena and Royal Oak attorney Todd Flood to head the probe.

Andrea Bitely, a spokeswoman for Schuette, would neither confirm nor deny the charges.

Sources said the number of people to be charged Wednesday was still uncertain late Tuesday because of the possibility one or more of those targeted could agree to cooperate with authorities and avoid charges.

A person familiar with the matter said that other parts of state and Flint city government remain under investigation. The prosecution team is trying to uncover more about why the individuals expected to be charged Wednesday, as well as others still under investigation, may have acted the way they did and who may have instructed them to do so, according to one of the sources.

Much of the case was built on previously disclosed e-mails pieced together starting last year by a number of reporters, including those at the Free Press. But prosecutors had other tools at their disposal, including subpoena power that enabled them to secure documents from city, state and federal agencies, according to one of the sources.

More than two dozen witnesses were interviewed by the prosecution team, sources said.

One of the more important pieces of evidence, the sources said, was how city and state officials submitted documentation related to the federal Lead and Copper Rule,

which governs acceptable levels of those substances in drinking water. The person familiar with the matter said that some officials who worked on and submitted these reports included information they knew to be incorrect.

Flint's water became contaminated with lead in April 2014 when the city, while under the control of a state-appointed emergency manager, switched its drinking water source from Lake Huron water treated by the Detroit water system to Flint River water treated at the Flint Water Treatment Plant. Michigan Department of Environmental Quality officials have acknowledged a disastrous mistake when they failed to require the city to add corrosion-control chemicals as part of the treatment process.

The corrosive water caused lead to leach from pipes, joints and fixtures. Although Flint reconnected to Detroit water in October, after state officials acknowledged the lead-poisoning problem after months of denials, the risk remains because of damage to the water infrastructure system.

Officials also still are exploring possible links between the river water and the Legionnaires' outbreak.

The state and city are now treating the pipes with higher levels of phosphates in an effort to build up a protective coating that will prevent lead from further leaching. Having more water flowing in the system would help that process, and that's one reason Snyder and other state officials want Flint residents to start using their taps again.

Staff writers Elisha Anderson and John Wisely contributed to this report.

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Schuette Expected To Announce Charges In Flint Probe

By Candice Williams

[Detroit News](#), April 19, 2016

Criminal charges are expected to be announced Wednesday by Michigan Attorney General Bill Schuette against two state officials and one local administrator in an ongoing investigation into Flint's water crisis, according to two sources familiar with the probe.

Schuette is scheduled to make an announcement of the charges for malfeasance and/or misconduct in office against the three individuals related to the lead contamination of Flint's water supply, according to the two sources.

The indictments are "the first of more to come," one source said.

Schuette's probe has been looking into state and local government officials to determine whether state laws were violated.

Schuette assembled what he called a "top-shelf" team earlier this year for the probe, led by Todd Flood, a former

Wayne County assistant prosecutor, and Andrew Arena, who ran several major investigations as head of the Detroit FBI Office until his retirement in 2012. Arena came out of retirement, he said, because the Flint water investigation is “the biggest case in the history of the state.”

Flood, who is special counsel for Schuette’s office in the Flint probe, said in February the inquiry could lead to a variety of criminal charges or civil actions.

The team includes more than 20 attorneys and investigators, including former state and Detroit police officers.

Flood has said he also could pursue restitution for Flint residents affected by the water contamination crisis, suggesting he could target private companies or governments involved in the man-made disaster.

Critics have questioned the objectivity of the investigation, noting that Flood has made political contributions to both Schuette and Republican Gov. Rick Snyder, a fact he has said will not affect his judgment in the case. Flood also donated to former Democratic Gov. Jennifer Granholm.

Because he is involved in the probe, Schuette is not part of the team defending Snyder in a federal class-action lawsuit.

The contamination crisis has led to the resignation of the state Department of Environmental Quality Director Dan Wyant and department spokesman Brad Wurfel. Gov. Rick Snyder dismissed Liane Shekter Smith, former head of the DEQ’s Office of Drinking Water and Municipal Assistance. In response to a spike in Legionnaires’ cases that coincided with the water crisis — 91 cases in 17 months beginning in June 2014, including 12 deaths — Snyder called for an investigation into the health department.

Flint switched off Detroit’s Lake Huron water supply in April 2014 and began using the Flint River as an interim source while construction continued on a new regional pipeline. Residents quickly began complaining about the water’s color and odor, and independent experts eventually discovered elevated lead levels in the water and blood of children.

The state, which initially downplayed concerns, confirmed the lead findings in October and began taking steps to address the crisis. Department of Environmental Quality Director Dan Wyant resigned in late December amidst criticism over his agency’s failure to ensure proper corrosion controls were added to Flint River water, which had leached lead from aging underground pipes.

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U.S. Judge Dismisses Proposed Class Action Over Tainted Flint Water

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Appeals Court Sides With Trans Student Denied Access To High School Boys Bathroom

[Huffington Post](#), April 19, 2016

A federal appeals court on Tuesday ruled in favor of a trans student in Virginia who sued his county school board over a policy barring him from using the boys bathroom at his high school.

The student, Gavin Grimm, had alleged that the Gloucester County School Board engaged in sex discrimination in violation of his rights under federal law and the U.S. Constitution, and asked a lower court to order the school to allow him to use the facilities.

A federal judge denied his request and dismissed the lawsuit in July. But the U.S. Court of Appeals for the 4th Circuit, which sits in Richmond, Virginia, reversed that determination and reinstated Grimm’s lawsuit.

More notably, the appeals court accorded “controlling weight” to the U.S. Department of Education’s interpretation of its own regulations under Title IX, which forbids federally funded schools from discriminating on the basis of sex and has been interpreted by the Obama administration to include exclusion of trans students on the basis of their gender identity.

“We conclude that the Department’s interpretation of its own regulation ... as it relates to restroom access by transgender individuals, is entitled to ... deference and is to be accorded controlling weight in this case,” wrote U.S. Circuit Judge Henry Floyd for a 2-to-1 court.

Floyd did recognize that, absent a formal challenge to the government’s reading of its own regulations, the political process could still force a change in the law.

“Not only may a subsequent administration choose to implement a different policy, but Congress may also, of course, revise Title IX explicitly to prohibit or authorize the course charted here by the Department regarding the use of restrooms by transgender students,” he wrote.

Grimm’s case, which is being spearheaded by the American Civil Liberties Union, has drawn widespread support from a host of civil rights and LGBT organizations, as well as from the federal government, which filed a brief in support of Grimm in October.

After oral arguments in the case in January, a tearful Grimm told reporters of his humiliation after he learned of his local school board’s policy. “I didn’t set out to make waves. I set out to use the bathroom,” he said at the time.

The teen's school won't be forced to grant him access just yet: The case is now back with the lower court, which has to conduct a new hearing in light of Tuesday's ruling.

Federal Appeals Court Sides With Transgender Teen, Says Bathroom Case Can Go Forward

By Moriah Balingit

[Washington Post](#), April 19, 2016

A federal appeals court in Richmond has sided with a transgender high school student, saying that he can proceed with his lawsuit arguing that his school board's decision to ban him from the boys' bathroom is discriminatory.

In backing high school junior Gavin Grimm, the U.S. Court of Appeals for the 4th Circuit deferred to the U.S. Education Department's interpretation of policies that give transgender students access to the bathrooms that match their gender identities rather than their biological sex. The federal department has said that denying transgender students access to the school bathrooms of their choice is a violation of Title IX, which prohibits gender discrimination at schools that receive federal funding.

"It's a complete vindication for the education department's interpretation of Title IX," said Joshua Block, an attorney with the American Civil Liberties Union who represents Grimm.

In a 2-to-1 decision, the 4th Circuit reversed a lower court ruling, saying that court had used the wrong legal standard in denying the student a preliminary injunction that would have allowed him to use the boys' bathroom at his high school in Gloucester County, Va. Judge Henry Floyd, who wrote the majority opinion, also ruled that the boy's discrimination lawsuit could move forward. The appeals court remanded the case to the lower court to be reheard.

The 4th Circuit is the highest court to weigh in on the question of whether bathroom restrictions constitute sex discrimination, and the decision could have widespread implications on how the courts interpret the issue as civil rights activists and local politicians battle over school bathrooms.

"The Department's interpretation resolves ambiguity by providing that in the case of a transgender individual using a sex-segregated facility, the individual's sex as male or female is to be generally determined by reference to the student's gender identity," the court wrote.

A U.S. District Court judge in Virginia last year denied Grimm's request for a preliminary injunction — which was backed by a statement of interest from the Justice Department — ruling that the privacy rights of other students outweigh the hardship Grimm endures by having to use a separate bathroom. That judge also granted the Gloucester

County school board's motion to dismiss the suit outright, a decision that the 4th Circuit overturned Tuesday.

In the wake of the legalization of same-sex marriage, public bathrooms have become the latest battleground in the fight for LGBT rights, with conservative activists and some state lawmakers pushing restrictions that prevent transgender people from using bathrooms in accordance with their gender identity rather than their biological sex. Activists also have used the bathroom debate as a venue for rolling back broader civil rights protections for gay and transgender people, arguing that those protections create dangerous scenarios — in the supposedly safe spaces of single-sex public bathrooms — that violate privacy and common sense.

North Carolina Gov. Pat McCrory (R) recently signed into law a ban on local government measures that protect gay and transgender people from discrimination; he focused specifically on the bathroom issue in arguing that the ban was necessary to prevent local governments from allowing "a man to use a woman's bathroom, shower or locker room."

That law has sparked protests and economic boycotts in the state. Duke University leaders this week publicly condemned "in the strongest possible terms" the North Carolina law and called for its repeal.

A new law in Mississippi allows schools to require students to dress and use the bathroom in accordance with the gender on their birth certificate. It also extends broad protections to business owners and religious organizations for refusing service to gay and transgender people based on their "sincerely held religious beliefs" or "moral conviction."

The case in Virginia centers on Grimm, now a junior at Gloucester High School. Grimm, who was born with female anatomy, came out as male to his classmates in high school and began using the boys' bathroom his sophomore year. Seven weeks later, angry parents raised concerns with the school board, prompting members to pass a policy that requires students to use school bathrooms corresponding with their "biological gender" and indicates that transgender students should use a separate, unisex bathroom.

Grimm sued the school board in federal court, arguing that the new rule violated Title IX, the federal law that bars gender discrimination in the nation's schools. He also asked for a preliminary injunction to allow him to use the boys' bathroom while his case proceeded. A U.S. District Court judge denied his request, and Grimm's attorneys appealed the decision to the 4th Circuit, which heard arguments on the case in late February.

Transgender students say that using the bathroom that corresponds with their gender identity is important for them — and others — to feel comfortable. Transgender male students, for example, often dress and appear as boys, and it could generally raise alarms if they were to use a girls' bathroom. They also say that having to use a bathroom that

doesn't match their gender identity, or having to go to a separate bathroom, can have negative psychological effects.

Grimm has said that the debate made him the subject of ridicule within his community, adding anguish to his adolescence, already a challenging time for many teens.

"Matters like identity and self-consciousness are something that most kids grapple with in this age range," Grimm said in January. "When you're a transgender teenager, these things are often very potent. I feel humiliated and dysphoric every time I'm forced to use a separate facility."

But the decision's legal implications are far broader than just Grimm's case, as it could shape other court battles, including one in North Carolina, where a transgender university student and employee already have sued to overturn the new law there. Other judges outside the 4th Circuit, which includes North Carolina, could look to the court's ruling in future legal fights because it is the highest court so far to weigh in on the legality of bathroom restrictions for transgender students.

The Obama administration has taken the position that such restrictions for students are a violation of Title IX, and officials in Washington have warned school districts that they risk losing federal funding if they fail to accommodate transgender students. Following a civil rights complaint, the U.S. Education Department found that an Illinois school district violated Title IX when it barred a transgender girl from a girls' locker room.

But lower-court rulings have gone against the Obama administration's position, including in Grimm's case, when a district judge ruled that Title IX protects students from discrimination based on biological sex, not gender identity.

A U.S. District Court judge in Pennsylvania ruled against a transgender man who was convicted of trespassing and was expelled from a public university for using the men's locker room there. In her March 2015 decision, Judge Kim Gibson wrote that barring the student from the men's locker room was not discriminatory.

Matt Sharp, an attorney with the Alliance Defending Freedom, which backed the school board in a friend-of-the-court brief and has supported bathroom restrictions elsewhere, said he expects the U.S. Supreme Court to eventually take up the question of whether bathroom restrictions constitute discrimination in this case or another.

"So much is at stake," Sharp said. "You're talking about schools across the country, billions of dollars of federal funding."

Nationally, public officials have watched the Virginia case closely. McCrory and Maine Gov. Paul LePage (R) submitted friend-of-the-court briefs, arguing that schools can create bathroom restrictions for transgender students without running afoul of Title IX.

The case ultimately could affect how future legislation takes shape. The Human Rights Campaign, which tracks bills related to lesbian, gay, bisexual and transgender issues, counted 14 states that debated bills that would restrict bathroom usage for transgender students, including Virginia, where a state lawmaker said his bill was voted down because lawmakers wanted to see how the 4th Circuit ruled before they proceeded.

South Dakota Gov. Dennis Daugaard (R) vetoed a bill that would restrict transgender public school students from using bathrooms in accordance with their gender identity, arguing that schools were best equipped to handle accommodations for transgender students. He also pointed to the Obama administration's assertion that such restrictions constitute sex discrimination and said the state mandate could open up schools to litigation.

Voters in Houston last year voted down a law that would have extended nondiscrimination protections to gay and transgender people after opponents tagged the ordinance "the bathroom ordinance" and rallied around the slogan: "No men in women's bathrooms."

Appeals Court Win For Transgender Boy In Bathroom Case

By Josh Gerstein

[Politico](#), April 19, 2016

A federal appeals court handed a victory Tuesday to a transgender boy in his closely-watched quest to use the boys' bathroom at a Virginia public school.

The 2-1 decision from the 4th Circuit Court of Appeals overturned a district court judge's ruling last year denying relief to the student, Gavin Grimm, now a high school junior in Gloucester County, Va.

Because the 4th Circuit includes North Carolina, the ruling could have an impact on that state's recently passed law banning local ordinances guaranteeing bathroom access sought by transgender individuals. The Obama administration has said it is considering taking away funding for schools and other entities in the state that discriminate against transgender people. The new ruling could bolster the administration's legal case for taking such steps.

The appeals court decision stopped short of declaring that transgender students at federally-supported schools have the right to use bathrooms consistent with their gender identity. However, the two-judge majority took a step in that direction by saying the lower court judge should have deferred to an Obama administration policy that interprets Education Department regulations to require schools to make such an accommodation.

"The regulation is silent as to which restroom transgender individuals are to use when a school elects to provide sex-segregated restrooms, and the Department's

interpretation, although perhaps not the intuitive one, is permitted by the varying physical, psychological, and social aspects—or, in the words of an older dictionary, ‘the morphological, physiological, and behavioral peculiarities’—included in the term ‘sex.’” Judge Henry Floyd wrote in an opinion joined by Senior Judge Andre Davis.

Davis said he would have gone further and ordered the district court judge to issue an immediate injunction for Grimm, but the appeals court ruling sent that issue back to the lower court for further action.

Judge Paul Niemeyer dissented, warning that the decision could force schools to do away with single-sex locker rooms and showers, allowing students of the opposite sex into those facilities.

“The majority’s opinion, for the first time ever, holds that a public high school may not provide separate restrooms and locker rooms on the basis of biological sex....This holding completely tramples on all universally accepted protections of privacy and safety that are based on the anatomical differences between the sexes,” Niemeyer wrote. “This unprecedented holding overrules custom, culture, and the very demands inherent in human nature for privacy and safety, which the separation of such facilities is designed to protect.”

The majority said its ruling did not extend to locker room access. “Only restroom use is at issue in this case,” Floyd wrote.

The school district could seek to appeal Tuesday’s ruling to the full bench of the 4th Circuit or to the Supreme Court.

A lawyer for the school system did not immediately respond to a message seeking comment Tuesday.

Davis and Floyd are appointees of President Barack Obama. Niemeyer was appointed by President George H.W. Bush.

Civil Rights Commission Says N.C. Bathroom Law Jeopardizes Physical Safety Of Transgender People

By Mark Berman

[Washington Post](#), April 19, 2016

The U.S. Commission on Civil Rights this week criticized controversial laws that were passed recently in North Carolina and Mississippi and considered in other places, describing the measures as discriminatory and potentially dangerous.

In a statement released Monday, the commission said that the North Carolina law directing transgender people to use bathrooms that match the gender on their birth certificate “jeopardizes not only the dignity, but also the actual physical safety, of transgender people.”

The commission said it had the same concerns about a Mississippi law that allows some businesses to refuse to serve same-sex couples, because that measure also allows certain businesses decide who is allowed to use bathrooms and locker rooms based on a person’s “anatomy and genetics at time of birth.”

“The North Carolina and Mississippi laws, and similar legislation proposed in other states, perverts the meaning of religious liberty and perpetuates homophobia, transphobia, marginalizes the transgender and gay community and has no place in our society,” Martin R. Castro, chairman of the commission, said in a statement Monday.

However, Gail Heriot and Peter Kirsanow — two members of the panel — released a statement saying that the group’s sentiment was not unanimous. They called on their fellow commissioners to “please take a deep breath” and said the laws being debated have been mischaracterized.

While saying they were not endorsing or opposing the measures, Heriot and Kirsanow said that “none of [these laws] deserves to be referred to in the derisive terms used by the commission majority.”

The Alliance Defending Freedom, a conservative legal group, criticized the commission’s statement and said that the civil rights agency was misrepresenting the law in North Carolina as well as measures in Mississippi and Tennessee.

North Carolina’s law has come under intense criticism from rights groups as well as a host of major businesses. Last week, six U.S. senators urged the National Basketball Association to move its 2017 All-Star Game from Charlotte because of the law. NBA Commissioner Adam Silver told reporters Friday that “the current state of the law is problematic for the league,” but said that owners who met last week did not discuss moving the game.

North Carolina Gov. Pat McCrory (R), who signed the law, signed an executive order last week seeking to quell some of the outrage sparked by the measure, although he defended it and left the highly criticized provisions intact. McCrory and other supporters of the bathroom law have defended it as “common sense” legislation.

Since the North Carolina law was passed, PayPal and Deutsche Bank have both abandoned plans to expand in the state, while performances by Bruce Springsteen, Cirque du Soleil and, most recently, Pearl Jam have been canceled. In Mississippi, business groups had said they were disappointed or concerned about that state’s legislation, while Bryan Adams canceled a concert there because of the law.

Further reading:

White House hails failure of Tennessee bathroom bill

South Carolina’s governor says her state doesn’t need a bathroom bill

Mississippi’s governor signed a bill letting businesses refuse service to gay people

Flush North Carolina's Discriminatory Bathroom Law Down The Toilet

By Kathleen Parker

[Washington Post](#), April 19, 2016

As Archie Bunker might say, the world is going down the toilet.

And how.

Who could have predicted that politics would require serious discussion of who uses what restroom? Or, personally speaking, a second column?

Alas, it seems that yet greater clarity is needed regarding this terribly serious, faux dilemma of proper bathroom usage in North Carolina.

As you likely know, the state recently passed a hastily written bill, signed by Gov. Pat McCrory (R), to preempt a Charlotte ordinance that would have allowed transgender folks to visit the facility corresponding to their gender identity.

Tar Heel lawmakers, ever alert to the presumably rampant problem of gender fakery, so ordered: Men and women must use the restroom that corresponds to their sex as indicated on their birth certificate.

It is actually not insane to insist that men use the men's room and women use the women's. Most people reckon this system has worked fine for as long as anyone can remember and see no reason to make accommodations for the roughly 700,000 Americans who are transgender. What has become clear, however, is that North Carolinians and others aren't worried about transgender people; they're worried primarily about heterosexual men who pretend they're transgender in order to gain access to women's quarters.

For what purpose would a man do this? I can imagine a fraternity initiation prank or a punk on a dare using the women's facility as a foil. Oh, what fun to hear the ladies shrieking. Or, perhaps, not. Maybe the women tackle the idiot and toss him out the door. That's where I'd put my money.

As to the would-be rapist/fondler/exhibitionist, why would anyone imagine that a law forbidding transgender people from entering the women's room would stop him from walking through an unlocked door?

The backlash to the new law has been harsh. In the latest squeeze, Pearl Jam canceled a concert in Raleigh, following Bruce Springsteen's example. Several cities and states, including Boston and Connecticut, have cut government-subsidized travel to North Carolina. And Monday, Duke University President Richard Brodhead said that the law has damaged the state's reputation and is having both financial and material impacts on its colleges and universities.

In response to these concerns and other financial losses stemming from the law, McCrory last week issued an executive order almost as abruptly as he signed the original bill. He has said he'll urge the legislature to amend the law to

reinstate state employees' right to seek legal recourse in cases of discrimination for sexual orientation or gender identity. The bathroom part of the bill would remain, as would the law's mandate that cities and municipalities may not pass their own nondiscrimination laws. For McCrory, who is up for reelection, the issue comes down to conservative principles of limited government.

On Sunday's "Meet the Press," he told host Chuck Todd that he "will always call out government overreach." This might be a good campaign motto, but isn't the state overreaching by telling the residents of towns and cities that they can't pass their own laws and ordinances? In effect, this means that a business in, say, Hamlet, N.C., where McCrory recently visited what he termed an "African American buffet" restaurant, could deny service to my delightful gay married neighbors.

As luck would have it, McCrory's appearance on the NBC program coincided with my own, exactly one day after The Post's online publication of a letter from McCrory excoriating me and my earlier column. What fun! Before the show, we found ourselves seated just inches apart in makeup. Nothing quite neutralizes tensions like comparing foundation notes. Miraculously, I was able to suppress the transgender quip that was performing cartwheels on the tip of my tongue.

We chatted in that Southern way — with Dentyne smiles and lizard eyes. Bless his heart.

While it is certainly understandable that some people would be uncomfortable with the idea of faux transgender males ogling their daughters, I'd be far more concerned about sending a boy into the men's room where even pedophiles are allowed to relieve themselves. Imagine what would happen to Caitlyn Jenner if she were forced to use the men's room. Or, what about a transgender man, who, though he's bald, bearded, muscled and rough, is forced to use the women's room?

But, of course, she and he won't. Because this bathroom law is utterly unenforceable and therefore unnecessary. What we have is a non-solution to a non-problem.

And my guess is McCrory knows it. He should flush HB2 down the toilet.

Read more from Kathleen Parker's archive, follow her on Twitter or find her on Facebook.

Read more on this topic:

Kathleen Parker: Bigotry raises its hideous head in North Carolina

The Post's View: North Carolina's rush to bigotry

The Post's View: A Republican's heroic rejection of transgender discrimination

Target Says Transgender People Can Use Bathroom That Aligns With Identity

By Kavita Kumar

[Minneapolis Star Tribune](#), April 19, 2016

Target Corp. made it clear Tuesday that transgender people who visit its stores are welcome to use the bathroom that aligns with their gender identity.

The statement by the Minneapolis-based retailer comes amid debates in many state legislatures over restricting public restroom use to the sex listed on a person's birth certificate.

While many of those conversations have centered around restrooms in public schools and government buildings, Target appears to be one of the first big-box retailers to take a proactive stance in declaring its position on the matter when it comes to its own restrooms.

While they may not be technically public, restrooms in stores are often the most easily accessible and widely available options outside of people's homes and workplaces.

Target's position also extends to its fitting rooms.

"Inclusivity is a core belief at Target," the company said in a statement on its corporate website. "It's something we celebrate. We stand for equality and equity, and strive to make our guests and team members feel accepted, respected and welcomed in our stores and workplaces every day."

Molly Snyder, a Target spokeswoman, said it is not a new policy, but the retailer wanted to clarify its position given questions it has received from both customers and employees amid the national debate. Executives sent an e-mail to store leaders earlier this week to convey the message.

"It's a restatement of a policy," she said. "It's just us being very overt in stating it."

A number of other companies, including some retailers, have been vocal in opposing North Carolina's recently enacted law that restricts transgender people from using the restroom that aligns with their gender identity in public buildings. Other states are considering similar bills. A Minnesota House committee held a hearing last week on a similar proposal but it faces long odds and, if the measure passed, a likely veto by Gov. Mark Dayton.

More than 100 companies that include Starbucks, Apple, Google, Twitter and Facebook have signed a letter asking the governor of North Carolina to repeal its law. Pearl Jam and Bruce Springsteen are among those who have canceled concerts in the state in protest.

Retail industry analysts said they haven't heard much until now from major retailers about their own restroom policies.

"Target being more proactive about it could very well open — or force — the dialogue," said Carol Spieckerman, a retail consultant. "Any time a retailer takes a more vocal stance, the microphone goes in front of all of the others."

Wal-Mart and Richfield-based Best Buy did not immediately return requests for comment late Tuesday afternoon.

It was probably smart for Target to get out ahead of this issue, Spieckerman added, rather than waiting until it is pressed up against a wall or until a conversation unfolds on social media about it. In the past, she noted that retailers often tried to be somewhat vague when it came to controversial issues.

"But it's now a really relentless environment in which retailers have to clearly state their beliefs," she said.

While Target's public declaration may not be popular with everyone, it will be more accepted by its core shopper base, which tends to be younger and more urban, said Amy Koo, an analyst with Kantar Retail.

"They're going to do what's in the interest of the business," she said. "It doesn't hurt them as much as it helps them."

This isn't the first time Target has treaded into more controversial issues. Last fall, Target received both praise and criticism when it took down the gender-based signs in its toys and kids' bedding aisles.

A couple of years ago, it found itself in the midst of a gun debate when protesters tried to force it and other retailers to ban customers from openly carrying guns in their stores. Target ended up pacifying protesters by asking customers to not bring guns into its stores.

And in 2010, Target found itself on the defensive when gay rights activists assailed it over campaign contributions to an Republican Minnesota gubernatorial candidate who opposed gay marriage. But the retailer has worked its way back into the good graces of the lesbian, gay, bisexual and transgender community since then.

In 2014, the company, which has long offered benefits to same-sex partners, came out publicly in support of gay marriage.

Man Sentenced To 12 Years In Beating Death Of Transgender Woman

By James McKinley Jr.

[New York Times](#), April 20, 2016

A Brooklyn man who beat a transgender woman to death after he had started flirting with her was sentenced to 12 years in prison on Tuesday, a penalty the victim's family said was too light.

The man, James Dixon, 25, pleaded guilty to manslaughter this month in State Supreme Court in Manhattan, admitting he attacked the woman, Islan Nettles, on a street in Harlem just after midnight on Aug. 17, 2013, knocking her to the pavement with a punch, then hitting her again as she lay on the sidewalk.

Ms. Nettles, 21, an assistant at a fashion company, died five days later of head injuries, prompting vigils and protests by transgender people who said her death was emblematic of the violence they often face because of their sexual identity.

While Ms. Nettles was still in a coma, Mr. Dixon turned himself into the police. In written and videotaped statements, he told detectives that he had started flirting with Ms. Nettles, unaware she was transgender, after meeting her and her two friends on the street. He said he became enraged and attacked her when his friends began mocking him for trying to pick up a transgender woman. "I just didn't want to be fooled," he said in a videotaped statement.

The victim's mother, Delores Nettles, told the court she believed 12 years was too light a sentence, given the brutal beating her daughter took. "He can go home after those 12 years and see his family," she said in tears. "It's not fair." Turning to Mr. Dixon, she said: "How can you sleep at night? How can you rest? I can't rest."

Mr. Dixon showed no emotion. He declined to make a statement before Justice Daniel P. Conviser pronounced the sentence, which had been negotiated with the judge on the eve of the trial in return for a guilty plea. Prosecutors objected to the deal; they had sought a sentence of at least 17 years. Continue reading the main story

High Court Deadlocked On War Between States

By Richard Wolf

[USA Today](#), April 19, 2016

WASHINGTON — The Supreme Court deadlocked Tuesday for the third time since Justice Antonin Scalia's death left it with only eight members, but it found a narrow way to settle a spat over taxes between California and Nevada.

The major question before the court was whether a state can be hauled into another state's court system — in this case, by a man who moved from California to Nevada, then sued his former state in his new state's courts. The Supreme Court allowed that in 1979, but it agreed to reconsider the issue in Gilbert Hyatt's lawsuit against California over back taxes.

Scalia was on the court and participated energetically when the case was heard in December, so presumably the justices decided whether the 1979 ruling should be upheld or struck down. He died Feb. 13, however, depriving the court of his vote. As a result, the justices emerged tied, 4-4, on that question.

They decided the case by striking down the Nevada Supreme Court's determination that a jury could award Hyatt more money than California courts would have entitled him to receive — or that Nevada could have been assessed. The

result: While California can be sued in Nevada, it cannot be subjected to higher damage awards.

"A state that disregards its own ordinary legal principles on this ground is hostile to another state," Justice Stephen Breyer wrote in the 6-2 decision. "A constitutional rule that would permit this kind of discriminatory hostility is likely to cause interference by some states into the internal legislative affairs of others."

The high court already had deadlocked 4-4 in two cases last month — first in a minor bankruptcy case, then in a major battle over public employee unions' right to collect fees from non-members. The latter tie vote left a lower court's verdict in favor of the California Teachers Association in place, giving labor unions a victory that Scalia's vote likely would have denied them.

The court faces the potential of more tie votes through the end of its current term and into the next one, starting in October, because Senate Republicans have refused to consider President Obama's nomination of federal appeals court Judge Merrick Garland to replace Scalia. Monday's oral argument over Obama's plan to offer relief from deportation to more than 4 million undocumented immigrants revealed another likely tie, which would uphold a lower court's ruling against the plan.

Luckily for the justices, who are striving to avoid a succession of tie votes, Hyatt's lawsuit against California's Franchise Tax Board presented two questions. The second one proved decisive.

Hyatt, a technology inventor, moved from California to Nevada in the early 1990s. A dispute over the precise date of the move led California to pursue him for back taxes. Hyatt sued in Nevada, alleging among other things that the California auditor divulged his personal data, trespassed on his Nevada property and vowed to "get that Jew bastard."

A Nevada jury awarded him \$375 million, but the Nevada Supreme Court later trimmed the award to \$1 million. California appealed to the U.S. Supreme Court, contesting both Hyatt's right to bring the lawsuit in Nevada and his right to damages, since California provides immunity for its own state agencies. In Nevada, a similar immunity provision caps damages against the state at \$50,000 — the amount Breyer ruled was appropriate.

Forty states, led by West Virginia, filed a brief supporting California's argument that it cannot be hauled into another state's courts without consent. Even so, it's unclear whether the Supreme Court was prepared to overrule its 1979 decision allowing such lawsuits; Scalia's death has left many such questions unanswered.

Chief Justice John Roberts, joined by Justice Clarence Thomas, dissented in the ruling. Roberts said Nevada had the right to assess the \$1 million penalty against California.

U.S. Supreme Court To Debate Minn. Law On Breath Tests In DWI Stops

By Allison Sherry

[Minneapolis Star Tribune](#), April 19, 2016

WASHINGTON – Minnesota's hotly debated law that makes it a crime for suspected drunken drivers to refuse a breath test is facing its toughest test Wednesday as the U.S. Supreme Court weighs the constitutionality of the measure.

Two attorneys representing Dakota County will argue on behalf of Minnesota in *State vs. Bernard*, while D.C.-based attorney Charles Rothfeld will argue for William Bernard of Eagan.

Police approached Bernard at a public boat ramp in 2012 and asked him to consent to sobriety tests, saying he smelled of alcohol. Bernard declined the tests and was arrested, which led to felony charges for refusal to submit to chemical testing. Defense lawyers argue this law is a clear violation of the Fourth Amendment, which prohibits police from searching "persons, houses, papers and effects" unless there is a proper search warrant.

In the Bernard case, Minnesota's state Court of Appeals upheld the state law that makes it a crime to refuse to take the test. But lawyers on the other side, including Dan Koewler, a Minnesota-based defense attorney, argue that punishing someone for refusing a blood, breath or urine test is unconstitutional.

"It does not make our roads any safer, it's just a way to get easy convictions, and I'm expecting the Supreme Court to strike it down," said Koewler, who is in D.C. for oral arguments Wednesday. "I don't want drunken drivers on the roads. I just want the state to have a constitutional way of arresting and convicting people who are breaking these laws."

Koewler's firm was litigating this issue in front of the state's Supreme Court back in 2009, when it ruled that drunken driving suspects could be criminally charged for refusing to consent to alcohol testing.

Some attorneys estimate that authorities administer 20,000 breath tests each year in Minnesota.

Last year, more than 100 Minnesota drivers had at least 10 driving while intoxicated convictions and almost 1,500 drivers had six or more DWI convictions, said the Minnesota Department of Public Safety.

In addition to Minnesota's case, the court on Wednesday will hear two challenges out of North Dakota where it is also a crime to refuse a breath, blood or urine test — punishable to the same extent as a drunken driving conviction.

Attorneys argue it is inherently unconstitutional to be found sober while driving and face felony charges for refusing an alcohol test.

Only 13 states have implied-consent laws similar to Minnesota's, though each state handles the laws somewhat differently. The justices are likely to steer clear of whether states have the ability to create the laws, but could try to furnish more clarity on enforcement due to the growing number of legal challenges in the states that have the laws, according to Law Street, a legal news website.

Duane Kokesch, program director for the National Traffic Law Center within the National District Attorneys Association, said he stands by the states with implied consent laws. He argues it cuts down on tense confrontations between police officers and suspected drunken drivers, giving police the ability to charge an uncooperative motorist with refusing to be tested.

"If someone is out there drinking alcohol, then they get in a car and they operate the car, the officer isn't stopping someone for no reason, they are stopping them because they have probable cause," said Kokesch, whose organization filed an amicus brief on behalf of the states in the case. "It's treated separately, like obstructing justice or refusing to provide your name to an officer."

Among the dozens of organizations that filed "friend of the court" briefs for this case is Mothers Against Drunk Driving, whose filing says 20 percent of drivers nationally refused to submit to a breath test.

Citing a study, MADD points out that refusing breath tests significantly cuts down on the likelihood an impaired driver will be convicted. In other words, states with high numbers of "refusal" rates had lower conviction rates for drinking and driving.

Marijuana Legalization In New England Is Stalled By Opiate Crisis

By Jess Bidgood

[New York Times](#), April 19, 2016

MONTPELIER, Vt. — First came Colorado and Washington. Then Alaska, Oregon and Washington, D.C. Now advocates for legal marijuana are looking to New England, hoping this part of the country will open a new front in their efforts to expand legalization nationwide.

But this largely liberal region is struggling with the devastating effect of opiate abuse, which is disrupting families, taxing law enforcement agencies and taking lives. And many lawmakers and public officials are balking at the idea of legalizing a banned substance, citing potential social costs.

"The shadow of the heroin epidemic is something that people think about when they think about the legalization, and they ask themselves, 'Are we sending the right message about legalization?'" said Shap Smith, the speaker of the House in Vermont, who is open to legalizing marijuana. "I

think in the public's mind, it's making passage of this bill more difficult."

A Vermont bill supported by Gov. Peter Shumlin, a Democrat, and approved by the State Senate in February would create a regulated market for recreational marijuana in this deeply progressive state — the cradle of Phish and New England's proud hippie haven.

But the bill is hobbling through the House, where it was stripped this month of the parts that would allow legalization. As of Friday, it contains only a cautious provision to allow home-growing and legalized possession of small amounts of marijuana — well short of the regulated market that Mr. Shumlin has called for.

Lawmakers' largest concerns are those that have emerged in state after state as the legalization movement has taken off: use and abuse by young people, impaired driving and commercialization.

But the opiate crisis, in which heroin, fentanyl and other drugs have killed more than 2,000 people in New England in the last year, is a substantial stumbling block, complicating efforts throughout the region and figuring into anti-legalization political alliances.

"At a time when we are trying and working so desperately hard to get help to those who need it, telling young people to not do drugs, trying to eliminate some of the barriers to treatment and to promote recovery, this effort at legalization seems to be directly at odds with those efforts," said Maura Healey, the attorney general in Massachusetts and a Democrat, who opposes an initiative that is expected to land on the ballot in November. It would allow adults to possess up to 10 ounces of marijuana at home, permit edibles and create a regulated market.

Advocates are using the heroin crisis as an argument in favor of legalization, saying that it would move the substance out of the hands of traffickers and that it "would reduce the amount of interaction with hard drug dealers, period," said Matt Simon, the New England political director of the Marijuana Policy Project, a national organization working on legalization.

National advocates of legalization hope that with New England, they can find success in a new part of the country.

"One part of it is demonstrating quite powerfully that marijuana reform is not just a West Coast phenomenon; it's also an East Coast one," said Ethan Nadelmann, the executive director of the Drug Policy Alliance.

But the future of the Vermont bill is unclear. A bid to place a proposal on the ballot in Massachusetts is opposed by the state's most powerful politicians; a ballot question in Maine was held up by the secretary of state (although it may have new life); and officials in Rhode Island are moving slowly, partly to see what happens with their fellow New Englanders.

"I think if there was any motion in any state in the Northeast, Rhode Island would take it up very quickly," said State Senator Joshua Miller, a sponsor of a bill there that would legalize marijuana.

The heroin epidemic was at the center of debate in Massachusetts last week, when a coalition of state leaders — including Gov. Charlie Baker, a Republican, and Speaker Robert A. DeLeo of the House, a Democrat — announced a campaign against the initiative.

An analysis last month by WBUR, a public radio station in Boston, noted that all 85 marijuana-related ballot questions in Massachusetts's history had passed, and public opinion could well favor legalization this time around, too.

But in a statement, Mr. Baker argued that legalization would "threaten to reverse progress combating the growing opioid epidemic so this industry can rake in millions in profits."

The coalition also has the support of Mayor Martin J. Walsh of Boston, a recovering alcoholic who is widely admired for his outspokenness about substance abuse.

"It's definitely a personal issue," Mr. Walsh said in an interview. "I have too many people that I know that started their addiction road by smoking marijuana."

The Campaign to Regulate Marijuana Like Alcohol responded on Friday by highlighting Mr. Baker's and Mr. Walsh's support of policies that would loosen liquor regulations — although a graphic of the men with a speech bubble saying "Drink More Alcohol" was criticized as insensitive to Mr. Walsh.

The groups said opponents of legalization were unfairly conflating heroin and marijuana.

"There is no more evidence that using marijuana leads to heroin than there is that riding a tricycle leads to joining the Hells Angels," Jim Borghesani, the campaign's communications director, said in a statement.

In states that have legalized marijuana, voters, not lawmakers, made the decision. That could become the case in Maine, which has a libertarian streak and began decriminalizing marijuana decades ago. A proposed ballot initiative there was halted when the secretary of state invalidated thousands of signatures, but it was recently granted a new review.

If that initiative makes the ballot, "I think they've probably got a relatively good chance of passage," said Mark Brewer, a political scientist at the University of Maine.

Health officials in that state are considering whether to make opiate addiction a qualifying condition for the use of medical marijuana. On Tuesday, Maine's Department of Health and Human Services heard testimony from advocates who said marijuana could help treat opiate withdrawal, and from experts who disagreed.

Vermont does not have a referendum process, and that has made the state a test case for legislative approval.

Mr. Shumlin, who is in his final term, said a carefully constructed bill legalizing marijuana could raise tax dollars that could be used to combat substance abuse and improve public safety.

"If Vermont really is the first state that writes a cautious, sensible bill that's adopted through a legislative process and signed by a governor, that would be a big deal," Mr. Shumlin said in an interview. "It would be a big step forward for legalization."

Many law enforcement officials are opposed.

"All assets — whether it be rehabilitation, medical, law enforcement — we should be focusing our assets on opiate addiction," said George Merkel, the police chief in Vergennes and the president of the Vermont Police Association. "That's a reason not to legalize marijuana, because it's going to make things even worse."

The bill advanced on Friday by the House Ways and Means Committee in Vermont would create permits for residents to grow marijuana for personal use, but it would not legalize the sale of the drug.

In a statement, Mr. Shumlin welcomed the development. "The committee's action today takes a step towards addressing the nonsensical system that asks the one in eight Vermonters who admit to using marijuana on a monthly basis to buy it from a drug dealer," he said.

Colorado Marijuana Study: Emergency-Room Visits Surge, But Declining Stigma At Play

By Brianna Gurciullo

[Politico](#), April 19, 2016

Since Colorado became one of the first states in the country to legalize marijuana, emergency-room visits related to the drug have increased significantly, according to a new report from the state's Department of Public Safety.

From 2014 to mid-2015, 956 emergency room visits per every 100,000 possibly involved exposure to marijuana. In the years before legalization, from 2010 to 2013, it was 739 per every 100,000. But the writers of the report released Monday, mandated by state legislation after residents voted to legalize marijuana in 2012, warn that apparent increases in marijuana consumption could be related to a decrease in stigma, which makes people more willing to admit use.

The report's writers point out that most of the findings are "baseline data because much of the information is available only through 2014, and data sources vary considerably in terms of what exists historically." Those sources include federal, state and local agencies that collect information on public health, revenue and law enforcement.

"Consequently, it is too early to draw any conclusions about the potential effects of marijuana legalization or commercialization on public safety, public health, or youth outcomes, and this may always be difficult due to the lack of

historical data," according to the report, which was prepared by statistical analyst Jack Reed.

The Denver Post reported that the study "is the state's first comprehensive attempt at measuring and tracking the consequences of legalization."

Among the findings: The number of arrests for marijuana possession and sales decreased significantly from 2012 to 2014. Colorado residents 21 and older can buy or possess an ounce or less of "retail" (not medical) marijuana at any one time. The first legal sales in licensed stores began at the start of 2014.

And from 2014 to 2015, the number of DUIs with marijuana or marijuana and a combination of alcohol or other drugs suspected by state troopers increased slightly.

The report also found that while fewer young residents have sought treatment for marijuana abuse, more patients in Colorado said they used marijuana almost daily before entering alcohol or drug treatment.

Since 2009, only the 21-and-older group studied had a higher admission rate with marijuana listed as an abused drug. The rates decreased for the 17-and-younger and 18-to-20 age groups.

But the study also found that approximately 36 percent of people reported that they used marijuana almost daily before they entered a licensed treatment center in 2014. In 2007, before legalization, only 22 percent of patients reported near-daily use.

The age at which marijuana abuse patients said they first tried the drug has stayed about the same, at 14 years old.

Washington, DC Lawmakers Finalize Ban On Public Pot Smoking

[Reuters](#), April 19, 2016

Full-text stories from Reuters currently cannot be included in this document. You may, however, click the link above to access the story.

Matt Bevin, Kentucky Governor, Orders Inquiry Into Beshear Administration

By Richard Perez-Pena

[New York Times](#), April 20, 2016

Kentucky's Republican governor on Tuesday ordered an investigation into what he described as wrongdoing under his Democratic predecessor, charging that state employees were coerced into contributing to political campaigns and that a contract was improperly steered to a politically connected company.

Gov. Matt Bevin's allegation of "greed and oftentimes corruption" escalates the feud between the new governor, who took office in December, and the Beshear family: former Gov. Steven L. Beshear and his son Andy, the state attorney

general. On April 11, Andy Beshear sued Mr. Bevin, saying the governor acted illegally in cutting higher education spending without approval by the Legislature. Steven Beshear is leading a public-relations campaign against his successor's moves to roll back the state's expansion of health coverage under the Affordable Care Act.

A former state official close to the Beshears, Timothy M. Longmeyer, pleaded guilty on Tuesday to a federal bribery charge, a case Mr. Bevin referred to in calling for a new investigation. As a member of Steve Beshear's cabinet, Mr. Longmeyer steered contracts related to the health plan for state employees to a company that paid him kickbacks. Mr. Longmeyer briefly served this year as a deputy attorney general, under Andy Beshear, before resigning.

In a brief statement, Mr. Bevin said that in his months in office, his administration had found evidence that state workers were forced to contribute last year to the campaigns of Andy Beshear and Jack Conway, the previous attorney general, who was Mr. Bevin's Democratic opponent in the race for governor. And he charged that the state had awarded a \$3 million no-bid contract to a company with ties to Steve Beshear's administration.

Mr. Bevin said he had directed an official in his cabinet to hire an outside law firm to investigate the matters. "A thorough, independent investigation like this can expose and cast light upon prior unsavory — and perhaps illegal — practices," he said.

Andy Beshear released a statement saying that "the appropriate agency, however, for investigating the governor's allegations is the Kentucky Executive Branch Ethics Commission, an independent agency, and not a cabinet that answers to the governor." He accused Mr. Bevin of overstepping his authority and wasting public money.

As governor, Steven Beshear made Kentucky a national model for extending government-funded health insurance to more people through the Affordable Care Act, by creating a state-run insurance marketplace, Kynect, and expanding Medicaid eligibility.

Mr. Beshear and his health policies were popular, but voters last year chose Mr. Bevin, a conservative newcomer who vowed to undo much of his predecessor's efforts, which he said were too costly to sustain. He has set about dismantling Kynect, which would put consumers into an insurance exchange run by the federal government, and he has said he will pare the Medicaid expansion. Continue reading the main story

Utah Declares Pornography A Public Health Hazard

By Sharon Bernstein
[Reuters](#), April 19, 2016

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'Evil, Degrading, Addictive, Harmful': Utah Officially Deems Porn A Public Health Crisis

By Niraj Chokshi
[Washington Post](#), April 19, 2016

It's official: Pornography is a public health crisis. At least in Utah.

The state proclaimed as much Tuesday after Gov. Gary Herbert (R) signed off on a resolution that deems pornography "a public health hazard" that can result in wide-ranging harm to individuals and society at large.

"We hope that people hear and heed this voice of warning," Herbert said at a signing ceremony. "For our citizens know that there are real health risks that are involved and associated with viewing pornography."

The resolution, passed through the state legislature, recognizes a need for education, research, prevention and changes to policy to address the issue.

In his speech Tuesday, Herbert likened pornography to drugs and alcohol in its capacity to "tempt our youth."

"We also want our young people to know that there's a particularly psychological and physiological detriment that comes from addiction to pornography," he said.

Happening now: Signing #SCR9 to declare pornography a public health crisis. #utpol
pic.twitter.com/Xv4xQGtm0j

— Gov. Gary Herbert (@GovHerbert) April 19, 2016

Todd Weiler, the resolution's chief Senate sponsor, acknowledged the ridicule he received when he first unveiled the measure, which largely focuses on pornography's impact on children.

"When my resolution language went public last January, I was mocked and scorned on the media," said Weiler, a Republican. News of the resolution made it as far as Vietnam, Croatia, Australia and England, he said. "The world is watching, but it's time; it's time that we stand up and take back our communities."

The resolution is non-binding and requires no public spending, so its impact rests on community action, Weiler said. Parents must make it safe for children to speak with them about pornography, he said. Communities must mobilize to limit its access, for example, in places that offer free wireless internet access.

Congrats to @GovHerbert, @gopTODD and countless others for providing leadership on this crucial issue.
<https://t.co/vfXnE8JHZI>

— Senator Hatch Office (@SenOrrinHatch) April 19, 2016

"If a library or a McDonald's or anyone else was giving out cigarettes to our children, we would be picketing them," Weiler said. "And, yet, our children are accessing pornography on their tablets on these sites and we seem to be OK with that."

Weiler called on lawmakers in other states and at the federal level to pass similar legislation.

And he praised British Prime Minister David Cameron's move to require family-friendly filters installed by default for most new internet subscribers, requiring users to actively request access to include pornographic materials.

"This is a \$7 billion industry," Weiler said. "Help us protect children from your evil, degrading, addictive, harmful substances. If adults want to do that, that's their choice, but we're talking about developing adolescent minds of our nation's future."

Some experts take issue with the suggestion that pornography is addictive like drugs or alcohol.

Studies published in 2013 and 2015 called into question the comparison, suggesting that the brains of so-called porn addicts do not, in fact, respond to pornography in the same way the brains of other addicts respond to their substance of choice.

In an e-mail, a spokesman for a porn industry trade group called the measure an "old-fashioned morals bill."

"What we should be concerned about is not adult entertainment or sexuality, but with bills like this that traffic in shame and censorship," said Mike Stabile, the Free Speech Coalition's communications director. "We should live in a society where sexuality is spoken about openly, and discussed in nuanced and educated ways, and not stigmatized. We all should work together to prevent non-adults from accessing adult material."

In addition to the resolution, Herbert also signed into law a related bill that sets new reporting standards for computer technicians who find child pornography in the course of their work.

Under that measure, failure to do so could result in a penalty.

Not 62? Deemed Filing Social Security Loophole Has Closed

By Robert Powell

[USA Today](#), April 19, 2016

Social Security claiming strategies are complicated, and those intricacies have offered some lucrative loopholes for savvy married couples. But if you turned 62 on or after Jan. 2, 2016, one of those loopholes — the restricted application — has closed.

File and restrict, as the strategy is also known, lets a lower-earning spouse, say a wife, who is at full retirement age (currently 66) or older and is eligible for both retirement and

spousal benefits, collect a spousal benefit based on her higher-earning retired husband's record.

Under the practice, the wife files for Social Security and then "restricts" her application to just spousal benefits. Meanwhile, her benefit grows, because of something called delayed retirement credits, by up to 32% until she hits age 70.

Under the old law, however, a spouse who was not yet full retirement age (FRA) who filed for benefits could not take advantage of the same loophole. A spouse not yet FRA who filed for benefits received the higher of two benefits — either the one on his or her earnings record or the spousal benefit. They could not restrict their application to spousal benefits and earn delayed retirement credits on their own benefits.

The Bipartisan Budget Act of 2015, which President Obama signed into law last November, closed the loophole that let one group of spouses (those FRA and older) benefit from file and restrict and not the other (those not yet FRA). Plus, it set the clock ticking on another strategy: file and suspend. The paperwork for that strategy must be filed by April 29.

So, what do you need to know and do about file and restrict, also known as deemed filing?

- Focus on your birthdate. Under the new law, if you were born on Jan. 1, 1954, or earlier, you can still restrict the scope of your application to just spousal benefits once you reach FRA. And if you qualify, it's still well worth considering this benefit booster. "This strategy can give them (married individuals) tens of thousands of dollars in additional benefits," says Elaine Floyd, director of retirement and life planning at Horseshoeth. "Spouses who are grandfathered under the old rules should definitely consider filing a restricted application for spousal benefits when they turn FRA."

If, however, your birthdate is Jan. 2, 1954, or later you're out of luck. Once you file for one Social Security benefit — the one based on your earnings — you are "deemed" to have filed for the other benefit — the spousal benefit — as well. And once that happens, you automatically receive the higher of the two benefits. Going forward, you won't be able to earn delayed retirement credits on your benefit while collecting a spousal benefit.

- New law doesn't apply to survivor's benefits. "Deemed filing doesn't apply to widows and widowers," says Andy Landis, author of *Social Security: The Inside Story*. "You can still file for only your own or only the widow(er)'s benefits, then switch to the other later. It's a great planning opportunity if you've lost a spouse or even an ex-spouse." The new law does, however, apply to divorced spouses.

- Exceptions to deemed filing. Deemed filing does not apply if you receive spouse's benefits and are also entitled to disability, or if you are receiving spousal benefits because you are caring for the retired worker's child, according to the Social Security Administration's (SSA) website.

- Don't sweat it. For his part, Kurt Czarnowski, a principal with Czarnowski Consulting, says all the fuss over changes to the claiming strategies is no big deal.

"The fundamentals haven't changed, and, as I am fond of saying, good things still come to those who wait," he says. "Because life expectancy is increasing, you are still likely to be better off by delaying the start of your Social Security benefits even if you are no longer able to take advantage of either of the claiming strategies that are going away. The strategies simply provided a financial incentive for one or both members of the couple to wait, but while the financial incentive may be going away, the benefits of waiting aren't."

- Why the change? Well, the financial benefits of the old law were significant, and to stay solvent, Social Security has to watch its bottom line. Plus, the change "preserves the fairness of the incentives to delay" taking Social Security based on one's earning record, according to the SSA. Now, with the exception of spouses and divorced spouses born on Jan. 1, 1954, or earlier, the exact same laws are in place for those who file for benefits before, at or after FRA.

Lobbyist Trade Group Closes Amid Legal Fight

[Roll Call](#), April 19, 2016

The trade group representing K Street lobbyists in Washington, D.C., is shutting down.

The Association of Government Relations Professionals, formerly called the American League of Lobbyists, began winding down operations Monday, according to a notice posted on its website.

"The President and Board of the Association of Government Relations Professionals (AGRP) are very disappointed to announce that as of April 18, AGRP will be winding down its operations," the group stated. "After a long-running legal dispute over a 2008 contract, AGRP's Board believes it is no longer viable to continue operations."

Paul Miller, a lobbyist with Miller/Wenhold Capitol Strategies and a former president of the American League of Lobbyists, said the dispute dates back to an agreement with the publishing company Columbia Books, which runs Lobbyists.info. Columbia Books had signed on as a sponsor for the group's events, Miller said.

"I was in that room, and there were several of us who didn't like the contract because it gave Columbia Books too much authority. If the relationship went sour, which it has, [AGRP] would have to pay Columbia Books in perpetuity," said Miller, who added that he left the lobbyist organization two years ago in part over the arrangement.

A spokeswoman for Columbia Books, Brittany Carter, said the lobbying group "had many opportunities to solve its legal problems, but did not pursue them." A D.C. Superior Court Judge, Alfred S. Irving Jr., sided with Columbia Books

in February and ordered AGRP to pay more than \$120,000, according to a court document.

Columbia Books "very successfully" grew an educational certificate program with the lobbyists' organization, Carter said in an emailed statement. She also said the agreement did not include "any perpetuity clause" and that Columbia Books was "responsible for working hand-in-hand with AGRP to run the program" including sharing in its profits and losses.

Miller, who said he also disagreed with the organization's decision to re-brand in 2013 by removing the word "lobbyists" from its name, is launching a new organization dubbed the National Institute for Lobbying and Ethics. The entity will begin programs and seminars next month, he said.

Senior advisers of the new group will include former Missouri Rep. Kenny Hulshof, a Republican, who is registered to lobby for clients through the firm Kit Bond Strategies. Thomas M. Susman, the director of the American Bar Association's government affairs office and a co-author of the ABA's "The Lobbying Manual," will also be involved in the new organization, Miller said. Hulshof was not immediately available for comment. Susman said he planned to provide educational courses on lobbying and ethics to the new group.

"I want to know if I can get a refund on my dues," Susman said of the AGRP.

Katie Lane Chaverri of Tayman Lane Chaverri, a lawyer representing AGRP, said that the group's members would not be first in line. Columbia Books would hold that position.

"In wind-down situations, there is an order of payment, and the judgment creditor will likely come first," she said.

Putting the word lobbying in the new organization's name, Miller added, was no accident, even in an election year fueled by anti-K Street rhetoric, especially from GOP presidential front-runner Donald Trump and independent Sen. Bernie Sanders of Vermont who is seeking the Democratic nomination.

"When you're influencing legislation or regulation, you're doing what lobbyists are doing," Miller said. "With the anger out there [that] Sanders and Trump have created, where is our profession in that anger? Yes, we have bad actors in our profession, like all professions do. But stop asking us for information, and see how the system works."

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Intel To Lay Off 11% Of Workforce

By Elizabeth Weise

[USA Today](#), April 19, 2016

SAN FRANCISCO — Intel will lay off 11% of its global workforce, up to 12,000 employees, as part of a restructuring initiative, the company said Tuesday.

The Santa Clara, Calif.-based chip maker said the restructuring would accelerate its evolution from a PC company to one focused on cloud computing and connected devices.

In an email to employees, CEO Brian Krzanich said that after the restructuring "I am confident that we'll emerge as a more productive company with broader reach and sharper execution."

The layoffs will have an outsized effect on Oregon and especially the Portland area. Intel is Oregon's largest private employer, with 18,500 working at six campuses west of Portland, according to the company.

Intel's Oregon sites are a global center of semiconductor research and manufacturing and one of the main anchors of the state's economy.

Intel said it expects the layoffs to deliver \$750 million in savings in 2016 year and an annual run rate savings of \$1.4 billion by mid-2017. The company will record a one-time charge of approximately \$1.2 billion in the second quarter, it said.

Reports had hinted that Intel was contemplating thinning its ranks, something analysts called long overdue.

"It's been a long time since there's been a restructuring of the company. As they forge forward, they need to pare down and invest in the right area. As much as I hate that — it's terrible for people who are laid off that — for the investors its positive," Betsy Van Hees, an analyst with Wedbush Securities.

Intel plans to focus on its data center and Internet of Things (IoT) businesses, which it called its primary growth engines, along with memory and field programmable gate arrays.

The company had long made money from PCs, but sales have dropped precipitously in recent years, falling 10% in the first quarter.

Growth in its new business areas made up 40% of the company's revenue in 2015, which helped offset the decline in PC sales, Intel said.

Intel (INTC) shares fell 3.09% in after-hours trading on the news.

News of the layoffs came as Intel reported higher profits than predicted by analysts.

Intel reported a profit of \$2.05 billion, or 42 cents a share, up from \$1.99 billion, or 41 cents a share, a year ago. Excluding certain items, it reported earnings per share of 54 cents, higher than the 48 cents per share forecast by S&P Global Market Intelligence and up 20% from the 45 cents a share recorded in the year-ago quarter.

Revenue rose to \$13.7 billion from \$12.78 billion. Analysts expected revenue of \$13.83 billion. For the second quarter, Intel forecast revenue of \$13.5 billion, which fell short of analyst estimates of \$14.16 billion.

"Our first-quarter results tell the story of Intel's ongoing strategic transformation, which is progressing well and will accelerate in 2016," said Intel CEO Brian Krzanich. "We are evolving from a PC company to one that powers the cloud and billions of smart, connected computing devices."

Intel To Cut 12,000 Jobs As PC Demand Slumps

By Quentin Hardy

[New York Times](#), April 19, 2016

SAN FRANCISCO — Intel, the world's largest maker of semiconductors, said on Tuesday that it was laying off 12,000 people, about 11 percent of its work force, as it continues to reel from a long downturn in global demand for personal computers.

The company's chief executive, Brian Krzanich, announced the layoffs as part of a larger corporate restructuring, which will result in a \$1.2 billion charge. Intel also reported lower-than-expected first-quarter earnings and reduced its projected revenue for the year.

"Intel has been known as the PC company," Mr. Krzanich said in an earnings call with Wall Street analysts. "It's time to make this transition and push the company all the way over" to supplying chips for things like smartphones, cloud computing, sensors and other devices.

Intel's restructuring is the latest evidence of how onetime tech bellwethers have had to navigate a rapid shift into the more flexible and dispersed tech world created by the combination of mobile computing devices connected to cloud computing systems. On Monday, for example, IBM reported lower profit and revenue, including a 22 percent drop in sales of computing hardware.

Microsoft, which will report its financial results on Thursday, has over the last several years changed its strategy from software in PCs toward computer servers, a mix that involves much more software rented over its giant cloud system. Dell, a big PC maker, took itself private in 2013. Hewlett-Packard divided into two companies last year, one focused on corporate computing and one that makes PCs and printers. Last September, HP announced about 30,000 layoffs.

At Intel, Mr. Krzanich became chief almost three years ago, and over much of that time he has talked about moving the company into new areas. More recently, top executives have left the company, and Mr. Krzanich has brought in executives from other companies. The new restructuring is intended to help Intel invest more heavily in its new segments, such as chips to power connected devices.

Yet Intel still gets 60 percent of its revenue from chips supplied to PCs, and its profit margins there are not as good as in data center chips, its other major business. The

company's other businesses have small profits, or else lose money.

That means PCs are still core to what Intel does. Most of the layoffs, along with things like consolidating facilities and cut projects, are expected to be inside the PC business. Employees who are affected by the restructuring will be notified in the next 60 days, the company said. The layoffs are the largest since 2006, when the company let go 10,500 employees.

Last week, Gartner reported that worldwide PC shipments in the first quarter were 64.8 million units, down 9.6 percent from a year ago.

"The hope was that PC demand, which has fallen for years, would be flat, and other segments would start filling in," said Mark Hung, an analyst with Gartner. "This threw a monkey wrench into that."

For the first quarter, Intel had net income of \$2 billion, or 42 cents a share, and revenue of \$13.7 billion. Wall Street analysts had projected that Intel would earn 47 cents a share on revenue of \$13.8 billion, according to a survey by Thomson Reuters.

Revenue at the PC group fell 14 percent from the previous quarter, indicating Intel had to cut prices as demand fell.

Intel faces other potential stumbling blocks. The company is unique as much of the tech industry counts on it continually delivering chips with more transistors for the same money. The process, known as Moore's Law after Intel co-founder Gordon Moore, has generally happened in two-year intervals. The next generation of chips, however, is likely to arrive in two and a half years, or more, leading to fears that Moore's Law is slowing.

Mr. Krzanich, who previously had played down the significance of his production schedule, took pains on Tuesday to say that Intel wanted to pick up its pace. "We are continuously striving to get back to two years," he said.

Intel had better do so, Mr. Hung said. "Its competitors don't seem to be slowing down," he said. "They may get to the next generation of chips at the same time as Intel. That would be unheard-of."

Besides cutting its operating expenses by \$700 million this year through the restructuring, Intel may be seeking to sell different types of chips in combined ways for better efficiency and profit.

"We're moving from a company that was at the center of the PC market to being a company at the center of cloud computing," said Stacy Smith, Intel's chief financial officer.

On Tuesday, Mr. Smith was named to run Intel's sales, manufacturing and operations, another indication of how Intel needs to tighten its relationship with a few big cloud companies, like Amazon and Microsoft.

This would involve integrating the production and sale of things like chips for computer memory along with computer

processors. The company also wants to build a business in connecting things like automobiles to cloud computing, and needs to build faster wireless computing technologies for that. Intel added that it would begin a search for a new chief financial officer.

Do We Have A Competition Deficit?

By Robert J. Samuelson, Washington Post Column

[Washington Post](#), April 19, 2016

The Obama administration has a new economic worry: competition or, allegedly, the lack of it. America's businesses, the indictment goes, merge too often, innovate too little and bilk consumers too much. The open question is whether this argument is shrewd politics, shrewd economics — or both.

No doubt, the politics are enticing. In this election season, criticizing big, impersonal firms has a strong populist appeal. And Americans venerate competition, at least in the abstract, as a check on companies' market power. So the White House's pitch is familiar.

"The President is launching a new initiative to stoke competition," the White House announced. "No corporation [will] unfairly squeeze their competitors, their workers, or their customers." Strong stuff.

Backing the words with deeds, the president supported a proposal from the Federal Communications Commission "to open up set-top cable boxes to competition." Renting the set-top boxes (at a reported average annual cost of \$231) is a rip-off, the White House suggested. If cable companies faced competition, consumers could buy boxes with more digital features at less cost.

The president also asked departments and agencies to report back in two months on "pro-competitive executive actions" they could take to empower "consumers, workers and entrepreneurs."

As the administration sees it, many U.S. firms are engaging in an orgy of anti-competitive behavior. Testifying recently before a congressional committee, Bill Baer, the assistant attorney general of the Antitrust Division, reported that in fiscal 2015, there were 67 proposed mergers valued at more than \$10 billion — more than twice the number in fiscal 2014.

To the administration, many mega-mergers are motivated by the quest for greater market power: the ability to raise prices. Not surprisingly, the administration has rejected many of these deals: the merger between cellphone firms AT&T and T-Mobile; Comcast's proposed merger with Time Warner Cable; appliance-maker Electrolux's acquisition of General Electric's appliance division; the proposed merger of two large makers of semiconductor manufacturing equipment, Applied Materials and Tokyo Electron.

More pending major mergers may face administration opposition. The Justice Department has already announced it would fight the proposed merger of two large oil service firms,

Halliburton and Baker Hughes. Also, there are two mergers of big health insurers that require government approval: Aetna and Humana, and Anthem and Cigna.

The White House's Council of Economic Advisers finds other evidence of diminishing competition. In an array of industries from retail stores to hospitals, total revenue became increasingly concentrated among the top 50 firms from 1997 to 2012. Likewise, the rate of new start-up businesses has declined, perhaps indicating more barriers to entry.

The administration's case is strong but not airtight. Generally, there are two types of competition: one named after Adam Smith (1723-1790), involving price and quality competition among firms producing similar products (think steel, groceries or clothes); and the other named after Joseph Schumpeter (1883-1950), emphasizing the clash between new products and production techniques and the old (think jet travel vs. railroads, big box stores vs. local merchants or the Internet vs. newspapers).

Do we have a competition deficit? It depends on the form of competition. If it's Schumpeter's competition, the answer is almost certainly no — and this is the most disruptive type of competition and the hardest to defend against. Dozens of industries are making fundamental adjustments to the Internet and its side effects. Companies that built their business models based on one set of products and strategies have difficulty coping with circumstances largely outside their experience or competence.

Unfortunately, one response to this intensifying competition is to try to limit Adam Smith's traditional competition by merging with major competitors. That's what seems to be happening now. Facing slow growth, increasing IT costs and greater uncertainty, companies are trying to create growth, cut costs and reduce uncertainty by getting bigger. It's a baffling mixture that does not sit well with traditional antitrust thinking. The jury is still out on who's right.

Dear Labor Department: Give Up On Meddling With CityCenterDC Already

[Washington Post](#), April 19, 2016

CITYCENTERDC, THE mega-million-dollar downtown project, is privately owned. It was built by a private developer with private funds, with no involvement of the District government in any construction contracts. None of that mattered to the U.S. Department of Labor, which used tortured logic to try to define the project as a public work that would make it subject to federal wage requirements. Now a federal appeals court has ruled against the department. U.S. officials should acknowledge reality and not pursue further appeal.

A panel of judges for the U.S. Court of Appeals for the District of Columbia Circuit ruled that the Davis-Bacon Act,

the Depression-era law that requires payment of the prevailing wage to workers on public works projects, does not apply to CityCenterDC. The April 5 opinion, upholding a ruling by U.S. District Court Judge Amy Berman Jackson, chides the administration for overreach in arguing that the District's lease of land to private entities results in a public project.

"We are unwilling," read the opinion, written by Circuit Judge Brett Kavanaugh, "to green-light such a massive, atextual, and ahistorical expansion of the Davis-Bacon Act. The concept of a public work may well be elastic. But it cannot reasonably be stretched to cover a Louis Vuitton." The case dates to 2008, when the Mid-Atlantic Regional Council of Carpenters asked the District to determine the applicability of Davis-Bacon. When the city determined the law didn't apply, the union went to the Labor Department, which first ruled against the union but then found in the union's favor after an administrative appeal.

At stake for the District was far more than the estimated \$20 million in additional CityCenterDC costs taxpayers would have been on the hook for because of the federal regulations requiring reimbursement to the developers. Future redevelopment of land owned by the city would have been affected with what D.C. Attorney General Karl A. Racine called a "significant disadvantage."

A spokesman for the Labor Department said a decision about whether to appeal the court ruling must be jointly made with the Justice Department's Office of the Solicitor General and has not yet been made. We say it's time to move on. The Davis-Bacon Act is clear about what is a public work, and a project such as CityCenterDC that is not built or used by the public or the government falls well outside the definition.

The Catholic Church's Defiance And Obstruction On Child Sex Abuse

[Washington Post](#), April 19, 2016

IN THREE years at the helm of the Catholic Church, Pope Francis has been a source of inspiration for millions of faithful around the world. In one critical respect, however, he has fallen short of his own promise: to come fully to terms with decades of child sex abuse by clergymen and the institutional cover granted to them by bishops and cardinals.

Francis has pledged "the zealous vigilance of the Church to protect children and the promise of accountability for all." Yet there has been scant accountability, particularly for bishops. Too often, the church's stance has been defiance and obstruction.

In his trip to the United States in the fall, Francis told victims that "words cannot fully express my sorrow for the abuse you suffered." Yet his initiative to establish a Vatican tribunal to judge bishops who enabled or ignored pedophile priests has come to naught. Not a single bishop has been

called to account by the tribunal, which itself remains more notional than real.

Meanwhile, church officials have fought bills in state legislatures across the United States that would allow thousands of abuse victims to seek justice in court. The legislation would loosen deadlines limiting when survivors can bring lawsuits against abusers or their superiors who turned a blind eye. Many victims, emotionally damaged by the abuse they have suffered, do not speak until years after they were victimized; by then, in many states, it is too late for them to force priests and other abusers to account in court.

Eight states have lifted such deadlines, known as statutes of limitations, for victims who are sexually abused as minors. Seven states have gone further, enacting measures allowing past victims — not just current and future ones — to file lawsuits in a finite period of time, generally a two- or three-year window.

In many more states, however, the bishops and their staffs have successfully killed such bills, arguing that it would be unfair to subject the church to lawsuits in which memories and evidence are degraded by the passage of time. Quietly, they also say the church, which has suffered an estimated \$3 billion hit in settlements and other costs related to clergy sex abuse scandals nationwide, can ill afford further financial exposure.

A typical case is Maryland, where bills to extend the statute of limitations until the alleged victim turns 38 have failed even to come to a vote, owing to opposition from House of Delegates Judiciary Committee Chairman Joseph F. Vallario Jr. (D-Prince George's) and the Catholic Church, among others.

In his trip to the United States, Pope Francis praised bishops for what he called their "generous commitment to bring healing to victims" and he expressed sympathy for "how much the pain of recent years has weighed upon you." Yet by its actions, the church's "commitment to bring healing" has seemed far from generous. And it seemed perverse to address the bishops' "pain" when the real suffering has been borne by children.