

Congress grills Hegseth on Iran war

Deadline to extend the conflict is nearing

USA TODAY

Pentagon chief Pete Hegseth faced questions on the Iran war from Congress for the first time since the two-month conflict began, as President Donald Trump warned the Middle Eastern country to “get smart soon” and make a deal that meets U.S. demands.

In his opening statement before the House Armed Service Committee, Hegseth celebrated the U.S. armed forces and blasted critics of the war as the military’s “biggest adversary.” At the same hearing, Jules Hurst III, the Pentagon’s acting comptroller, said the war in Iran has cost around \$25 billion to date.

Confronted by California Rep. Salud Carbajal about the estimated cost and how much more the United States plans to spend on the conflict in the future, Hegseth replied: “The question I would ask this committee is, what is it worth to ensure that Iran never gets a nuclear weapon?”

Rep. Ro Khanna, a Democrat from California, also pressed Hegseth on the economic cost of the war to American taxpayers.

“You’re saying that your operation is preventing a nuclear Iran. Will you acknowledge that there is an economic cost to the American people for doing what you believe is necessary?” Khanna asked, adding the war will increase costs by \$5,000 for American households. The Pentagon’s \$25 billion estimate of the cost of the war was “totally off,” he said. “It’s the incompetence,” he added.

Hegseth retorted that the cost of gas in Khanna’s home state of California was twice as expensive due to “horrible policy.”

Khanna shot back: “You said you wouldn’t get into bad wars. You said you would bring down the prices.”

The comments come as talks between Washington and Tehran appeared at an impasse. Trump on April 29 told Axios he rejected Iran’s latest proposal as it did not address U.S. concerns about its nuclear program. Earlier



Secretary of War Pete Hegseth, left, and Gen. Dan Caine, chair of the Joint Chiefs of Staff, arrive for the April 29 hearing on Capitol Hill before the House Armed Service Committee. SAUL LOEB/AFP VIA GETTY IMAGES

in the day, Trump in a social media post said, “Iran can’t get their act together. They don’t know how to sign a non-nuclear deal. They better get smart soon!”

Oil, gas prices surge

Meanwhile, the two countries continue blocking shipping traffic in the Persian Gulf, raising global energy prices and surging gas prices to their highest level in four years.

The price of oil surged to a 4-week high early on April 29, with Brent crude, the global standard, trading at \$116, up 4%.

Gas prices were also higher. One day after reaching a 4-year high, AAA’s national tracker on April 29 showed the average price for a gallon of regular unleaded was \$4.229.

At a separate budget hearing on April 29, Pentagon comptroller Jules Hurst III told Congress the war in Iran has cost around \$25 billion to date, with most going toward replenishing munitions, and some toward operations and maintenance, and movement of equipment.

The Pentagon will also put together a supplemental request to Congress for more money to fund the war, Hurst said.

Trump mulls extended blockade

Trump discussed a potential month-long extension of the blockade of Iranian ports during an April 28 meeting with energy executives, according to a White House official.

Trump and the oil executives talked about steps that could be taken to alleviate global oil markets – already disrupted by the blockade of the Strait of Hormuz – if the blockade is extended for months longer, according to the White House official, who spoke on condition of anonymity.

Treasury Secretary Scott Bessent hosted the meeting, which was also attended by Vice President JD Vance and White House Chief of Staff Susie Wiles. Which oil executives in attendance were not immediately clear.

Meanwhile, Iranian officials said on April 28 the country could withstand the U.S. blockade as it was using alternative trade routes.

Trump faces 60-day deadline

Trump could soon face a hurdle to continuing the war on Iran. According to the War Powers Resolu-

tion of 1973, the president has 60 days after beginning a military conflict before he would potentially need approval from Congress to continue fighting.

The countdown started when the president formally notified lawmakers March 2, meaning the deadline is May 1.

Further fighting after that date is expected to have Congress’ sign-off and a few Republicans have indicated they would not vote to continue fighting in Iran beyond that point. However, so far GOP lawmakers have shot down every Democratic effort to stop the war.

Trump could also give himself a 30-day extension to continue operations.

Fighting continues in Lebanon

Lebanon’s President Joseph Aoun slammed Israel in a statement on April 28, accusing the country of targeting noncombatants after Israeli air strikes killed three Lebanese emergency response workers.

“President Aoun considered this attack to be added to a series of attacks that targeted relief and first aid workers,” Aoun’s office said in a statement. The strike “indicates that Israel continues to violate international laws and conventions that protect civilians, paramedics, Civil Defense personnel, the Red Cross, and workers in the fields of rescue, first aid, and medicine.”

According to Aoun’s office, the three Civil Defense personnel were killed while attempting a search and rescue mission connected to a different Israeli attack in southern Lebanon.

USA TODAY has reached out to the State Department for comment.

The United Nations Human Rights office said in March that Israeli air strikes on civilians in Lebanon may amount to war crimes.

More than 2,500 people have been killed in Israeli strikes across Lebanon since March 2, when Iran-backed militant group Hezbollah fired on Israeli positions and triggered a widespread Israeli air and ground campaign.

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U.S. companies reassure investors despite Iran war

Arpan Varghese

REUTERS

Top American companies from General Motors to Coca-Cola are trying to reassure investors they can weather the financial fallout from the Iran war, even as surging fuel and packaging costs threaten margins.

Oil prices have jumped since the start of the conflict, driving up input costs across industries already pressured by U.S. tariffs. The increase is forcing companies to weigh price increases at a time when consumers are showing signs of strain.

A Reuters review of company statements since the start of the war showed that 24 companies have withdrawn or cut their forecasts, 35 have signaled price hikes and another 35 have warned of a financial hit.

Yet, several executives struck a confident tone on April 28, banking on hedging, prior purchasing contracts, resilient demand or the ability to offset costs elsewhere.

Coca-Cola was among the major firms to strike an optimistic note, betting on resilient demand for its sodas, with CFO John Murphy stating that the company, like PepsiCo, had locked in some lower prices before the start of the current disruption.

The beverage giant is still exposed to higher packaging costs of plastic and aluminum for some finished products. Murphy said the company is “working hard with our bottling partners to deal with the implications of the situation ... in the Middle East.”

Some of the optimism has rubbed off on Wall Street. Analysts raised expectations for first-quarter S&P 500 earnings growth to 16.1% as of April 24 from 14.3% on Feb. 27, before the war began, albeit driven mostly by strong forecasts from technology and energy companies, according to LSEG data.

“It’s been an extraordinarily strong earnings season,” said David Morrison, senior market analyst, Trade Nation, noting that the bullish signaling from CFOs and CEOs was necessary.

“If they don’t sound as bullish and



Coca-Cola reassured investors that the company had locked in some lower prices before the start of the current disruption fueled by the war with Iran. LUCY NICHOLSON/REUTERS FILE

start citing higher energy costs or, the war with Iran or anything, the market is in a mood and it’s at a level where, these stocks could get punished quite badly.”

Some like United Parcel Service stuck to a more cautious note, reiterating its full-year revenue target, but also warning that soaring fuel prices could eventually crimp demand.

“It is early in the year and there is a war in the Middle East. High gasoline prices could potentially impact demand towards the end of the year,” UPS CEO Carol Tome said.

Others like Detroit carmaker GM signaled that they have been here before, and are well placed to navigate the storm.

GM said it expects inflation in raw materials, chips and logistics to cut annual earnings by \$1.5 billion to \$2 billion, about \$500 million more than it estimated late last year, but still lifted its full-year earnings forecast, citing a resilient U.S. market and an expected tariff refund.

Procter & Gamble was an outlier, at least outside of the airlines, as the global consumer goods bellwether last week warned of a roughly \$1 billion hit to its fiscal 2027 profit from surging oil.

Airlines remain the most exposed, with jet fuel prices having nearly doubled since end-February, wedging carriers between spiraling costs and pre-sold tickets.

Apple’s new CEO likely to get earnings spotlight

Akash Sriram and Aditya Soni

REUTERS

Apple investors will be keen on getting a closer look at John Ternus as CEO of the iPhone maker on April 29, when it reports quarterly results that Wall Street is expecting to be strong.

Ternus formally takes over from Tim Cook in September, but Apple’s decision to unveil the succession days before earnings has convinced analysts that he will join the post-results call.

The former hardware chief, who has overseen some of Apple’s biggest bets in recent years, including the shift to custom-designed chips for the Mac, is expected to maintain a product-first approach as the company navigates the AI era.

He must decide how far to open Apple’s tightly controlled ecosystem to keep pace in the artificial intelligence race that has so far rewarded speed and experimentation over curation and control.

“The AI story remains one up in the air, but this quarter isn’t just about the numbers,” said Jay Woods, chief market strategist at Freedom Capital Markets. “Investors will be focused on how leadership change could shape product innovation, capital allocation and Apple’s next chapter in AI.”

Cook is handing over Ternus a company that’s been riding one of its strongest iPhone upgrade cycles in years, with margins that are the envy of the consumer tech world.

The MacBook Neo, which Ternus launched in March, has created the kind of buzz that few Apple devices have managed in recent years and drawn strong early sales.

At \$599, it represents Apple’s boldest move yet to tap the lower-priced laptop market and widen its customer base. But it also risks diluting Apple’s premium brand and cannibalizing demand for the MacBook Air at a lower price point.

Ben Bajarin, CEO at tech consultancy Creative Strategies, said the Neo was potentially a new \$20 billion-per-year



John Ternus will officially take over for Apple CEO Tim Cook in September but is likely to be highlighted in an upcoming earnings call for his contributions. ROBERT DEUTSCH/USA TODAY FILE

market for Apple.

“Neo gives Apple a credible product in parts of the notebook market where it has historically been structurally absent, especially education, first-time buyers and value-oriented Windows replacement cycles,” Bajarin said.

Overall, revenue is expected to increase 15% to \$109.66 billion, in line with the holiday quarter, as iPhone sales growth remained almost steady at 22%, rising to \$57.21 billion.

The strong iPhone sales defied the decline in the smartphone market in the first quarter, according to IDC, with performance expected to be particularly strong in China.

Driving iPhone sales is a strong interest in Apple’s iPhone 17 Pro models, which include new technology such as a new chip cooling system that allows the device to hit new performance levels.

One of Ternus’ signature moves as Apple’s hardware chief has been to sharpen distinctions across its product lines and packing top-end models with new features at higher prices, while offering stripped-down, more affordable alternatives.

Analysts expect gross profit margin to widen to 48.4% in the quarter, from 47.1% a year earlier.