



Teva changing gear Page 11

TheMarker

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Gilad: We're no different from other lobbyists

By Zvi Zrahiya

After having its permits to enter the Knesset temporarily revoked last week following an exposé of its methods, lobbying firm Gilad Government Relations & Lobbying is pleading its case before Knesset Speaker Reuven Rivlin. Among other things, the embarrassed firm claims its methods are no different from those of any other lobbying firm.

Rivlin vowed to void the 13 passes belonging to Gilad after the Channel 2 investigative show Uvda ("Fact") broadcast a candid camera tape of the company's lobbyists boasting about their exploits and manipulation of MKs. Before the permits can be irrevocably revoked, Gilad will be entitled to a hearing, after which the committee that approves entry permits will discuss its case. The committee consists of Rivlin himself with MK Yitzhak Vaknin (Shas) and MK Jacob Edery (Kadima). No date has been set for it to meet on the Gilad affair, though.



Avraham Poraz

Tess Schefflan

Last week, following the exposé, Rivlin also handed down strict rules about meetings between parliamentarians, their aides and lobbyists. He also banned lobbyists from large sections of the Knesset building, including their favorite haunt – the cafeteria. The candid camera footage is from lectures to would-be lobbyists. Right there on tape, the Gilad people brag about influencing legislation to promote business interests. But in its letter to Rivlin, Gilad says its methods are no different from those of any of the other lobbying firms.

On Tuesday, Rivlin agreed to meet briefly with former minister Avraham Poraz, who is also registered as a lobbyist (on a volunteer basis). Poraz had solicited the meeting to present the position of most of the lobbying firms on Rivlin's new restrictions. Rivlin told Poraz he would only meet with lobbyists representatives after Gilad's hearing was carried out.

Poraz asked for a new committee to set ethical rules governing lobbyists' activities in the Knesset, that could include a ban on any benefits or gifts from lobbyists – or their representatives – to MKs. Lobbyists would only be allowed to provide MKs with information.

Poraz is registered as a volunteer lobbyist and represents a large number of the biggest and most influential lobbying firms. These lobbying firms sent a letter to Rivlin last week asking him "not to take out his fury on all the lobbyists because of one firm."

Poraz met Tuesday evening with representatives of a number of lobbying firms, to formulate proposals on their activities within the Knesset. Representatives of Gilad were not invited.

Rivlin said he met recently with the heads of the factions in Knesset to discuss legislation on regulating lobbyists. Most of the faction heads supported an existing draft of legislation curbing MKs' relations with lobbyists, he said.

Electric Corp scrambling to buy turbines to avert blackouts

By Avi Bar-Eli and Itai Trilnick

There is a real danger of power blackouts this summer, Energy and Water Resources Minister Uzi Landau warned yesterday at a press conference, as his ministry launched a controversial project to tackle the anticipated electricity shortages that includes buying new turbines.

While his ministry cannot do much about the shortage of natural gas to fuel the power plants or about delays in building new generating stations, it is not standing idly by, Landau said.

The ministry will be ordering the Israel Electric Corporation, which has a monopoly over power generation in Israel, to buy eight mobile, 25-megawatt generators at \$25 million apiece, for a total cost of \$200 million. They will provide backup and emergency power.

Landau said the combination of increased demand and diminished production capacity is expected to reduce reserve generating capacity to just 3%-4% this summer.

The generators' combined 200-megawatt generating capacity will add 1.5% to Israel's total generating capacity.

The proposed emergency generators are diesel-fueled and can be hauled by truck to the areas affected by planned blackouts. The siting of the generators will be coordinated with the Environmental Protection Ministry.

The IEC will purchase and operate the generators, without issuing a tender that could have reduced costs. The ministry said a competitive tender process would have taken too long. The company is effectively being rewarded with an additional 200 megawatts of generating capacity after the government blocked the construction of new power plants. We can only assume that electricity rates will be raised to cover the cost of the new generators.

The main reason for the shortage of natural gas to run the generating plants is the repeated breakdowns in Egyptian gas supplies. The natural gas pipeline from Egypt to Israel, through Sinai, was sabotaged 12 times in as many months, cutting off supplies each time.

In addition, production from the Mary-B offshore natural gas field, operated by the Tethys Sea partnership, has also declined significantly due to technical problems and faster-than-expected depletion of its reserves. The ministry has ordered production cuts in order to guarantee supply for the peak-summer period.

Smaller satellite fields near Mary-B are expected to go on-line by August. The even smaller Noa field should start providing gas in June.



Tomer Appelbaum

Subsidies for fluorescent bulbs get green light

Two months after the ban on incandescent lights took effect, the Energy and Water Resources Ministry launched a campaign yesterday to subsidize compact fluorescent bulbs. Retailers will sell packages of three electricity-saving CFL bulbs for NIS 20. The ministry will spend NIS 4.25 million to subsidize 500,000 packages of 20-watt bulbs – made in China. This will cost the ministry NIS 2.80 per bulb. These bulbs give off the same amount of light as 100-watt incandescents, at 20% the electricity consumption. The subsidized bulbs will be sold at 117 stores around the country, but not at the big chains. (Itai Trilnick)

Many IEC generating units that were designed to run on natural gas are being forced to use the much more expensive, polluting and inefficient diesel fuel due to the natural gas shortages. The switch from diesel to gas and back again has also caused technical problems and led to increased maintenance operations.

Electricity demand is forecast to peak this summer at 12,370 mega-

watts, compared to a maximum generating capacity of only 12,880 megawatts. This leaves the country with only about a 4% electricity reserve. The OECD recommends a 18% to 25% reserve, which translates into a need for 14,600-15,500 megawatts of additional production capacity.

"The ministry has budgeted more than NIS 300 million for energy efficiency. In 2008, when the cabinet de-

clined on [the program], zero shekels were allocated. Now there are some 200 megawatts of renewable energy installed, three years ago there were zero," Landau said.

"Private electricity producers are continuing to build [power] stations, energy efficiency campaigns are underway and solar [power] licenses continue to be signed," he added. The ministry has also taken a number of steps to encourage consumers to reduce usage by offering customers peak-rate pricing plans, where they pay less for using electricity during times of the day when demand is lower.

Minister rejects criticism

Landau rejected criticism of his ministry and said the delay in approving planned new power plants in Ashkelon and Alon Tavor is behind the looming electricity shortage. He also criticized Environmental Protection Minister Gilad Erdan for refusing to allow power plants to increase their use of heavy fuel oil. This fuel source is much more polluting than others. Landau railed against "irresponsible bodies that delayed projects that could have increased [electricity] production."

Landau was referring to environmental advocacy organizations, which oppose the construction of another coal-fired plant in Ashkelon, and the Finance Ministry, which in the past determined that additional generating plants and a terminal to handle gas from offshore fields in the north were superfluous.

The Environmental Protection Ministry said in response: "For many years the Energy and Water Resources Ministry has not advanced overall planning for the electricity sector."

The IEC four years ago introduced an emergency plan to increase electricity production, at a planned cost of NIS 5.5 billion. This plan, which was also supposed to prevent blackouts of the type being predicted for the coming summer, involved building power plants between 2008 and 2013 that would have added a combined 1,050 megawatts of generating capacity.

For the first time, most of the funding was to come directly from customers' electricity bills.

Landau is scheduled to accompany Prime Minister Benjamin Netanyahu on a visit to Cyprus that starts tomorrow. One item on Landau's agenda is advancing the project to build an underwater electricity cable to connect Israel and Cyprus. The cable will later be extended to connect to the European electric grid. Landau said he will also promote joint natural gas projects.

Business in Brief

Holon putting out bins for electronics waste



The city of Holon is distributing 20 containers for the collection of electronics waste. The discarded machines will be dismantled as part of the Ecology for the Sheltered Community initiative, which provides work for the disabled.

The electronics include computers, DVD players and televisions. The workers extract both the dangerous materials that can harm the environment and the precious metals that can be recycled. Bank Hapoalim is helping sponsor the project. (Itai Trilnick)

PM heads to Cyprus for talks on natural gas

Prime Minister Benjamin Netanyahu and his wife Sara are flying to Cyprus tomorrow morning for a one-day visit. This first visit by an Israeli prime minister to the island nation will be devoted to the crucial matter of cooperation in extracting natural gas from the Mediterranean seabed. Netanyahu will meet with Cypriot Prime Minister Dimitris Christofias, Foreign Minister Erato Kozakou-Markoulli and opposition leader Nicos Anastasiades, freshly back from a visit to Israel. Both Turkey and Lebanon have warned that they believe some of the gas in the deep sea belongs to them. Tomorrow's talks will also focus on securing the deep-sea drilling endeavors. (Moti Bassok)

AppWaze's GPS glitches getting drivers lost

Upgrades to Waze, a free GPS application for smartphones, has caused many drivers a lot of trouble. Problems with the app have sent drivers into traffic jams instead of finding them the fastest route. Waze admitted there were problems and said they will be solved quickly. Some 1.8 million Israelis use the application, so every problem affects lots of drivers. Waze has 12 million users around the world, and 50,000 more join every day. The company recently launched its 3.0 version for Android phones. (Guy Grimland)



Daniel Tchetchik

The Waze application.

Apple seeking hires for R&D center in Haifa

Revamp your resume, dear reader: Apple is recruiting for its new research and development center in Haifa and has published its first wanted ad. It's for a "world-class" human resources manager, who will be responsible for hiring the roughly 50 people Apple needs, at least to begin with. Candidates must have the appropriate academic background, experience in hiring for technology jobs (software and hardware – advantage to hiring for the semiconductor industry), and management experience. The hiring manager will be working with Apple hardware-engineer hirers in the United States to assure that the company's standards are maintained. (Guy Grimland)

Steinitz kills haircut bill

Finance Minister Yuval Steinitz went to bat for Israel's tycoons yesterday, if not in so many words: He shot down the so-called haircut bill, which failed to muster a majority in the Knesset. The bill, sponsored by MK Meir Sheerit (Kadima), would have prevented business owners who defaulted on debt from raising more money on the markets until they first paid back their debts in full. Sheerit had hoped to turn the screws on Israeli tycoons who may be sitting on personal fortunes but allow their public companies to default; for instance, Yitzhak Tshuva with Delek Real Estate and Ilan Ben-Dov with Tao Tsuot. The outcome of yesterday's vote was predictable, though, after the government announced its opposition to the proposal. (Shelly Appelberg)

MKs skewer train workers: 'You don't own the railway'



Railways union head Gila Edrei and a lobbyist in Knesset yesterday.

By Zvi Zrahiya and Avi Bar-Eli

Train service throughout the country resumed at midnight Tuesday after Israel Railways union leaders were fined for ignoring court injunctions against the strike that began late Monday night, but the underlying dispute remains unresolved. Union representatives refuted claims that they failed to give proper notice of their strike plan. While the Histadrut labor federation demonstrated solidarity with the workers yesterday (see box), Israeli elected officials were less sympathetic.

At an extraordinary session yesterday of the Knesset Economic Affairs Committee several legislators were bitingly critical of the railway

workers for allegedly shutting down train service with a few hours' notice, causing chaos at the stations and congestion on the roads. The session was attended by labor representatives.

"Service disruptions and strikes have become commonplace, but this time a line was crossed," said committee chairman MK Carmel Shama-Hacohen (Likud). "Given the behavior of the union, the justification for the strike has become of lesser importance."

About 140,000 Israelis take the train every day, Shama-Hacohen said, adding, "The strike turned the trains from a brand in which billions of shekels have been invested into a symbol of contempt for the consumer."

The railway system is not the private property of the

workers nor of the management, said MK Ophir Akunis (Likud), who had called the extraordinary committee session. It belongs to the people, he said.

If Israel Railways employees had a champion in the debate it was Labor MK Amir Peretz, the former chairman of the Histadrut umbrella organization of Israeli trade unions. He said that for years reforms at the government company had been exploited to change the structure of employment. He agreed that a line was crossed yesterday, but blamed both sides: Why were IR's negotiations with labor still continuing after one and a half years without a contract? he asked.

MK Israel Eichler (United Torah Judaism) interjected that both parties had right on their sides, but in the meantime passengers were suffering.

Israel Railways union head Gila Edrei, who was one of several union officials who were fined NIS 10,000 for contempt of court, said they came to the Knesset session "hurting": "Harming passengers is the last resort," she said. "We sought solutions, such as letting people ride the train for free, but because the ticket sellers are outsourced contract workers we couldn't do that," Edrei said.

She also said that after negotiations had deadlocked the union had the right to stop

the trains from running with 48 hours' notice. She said she informed the CEO of Israel Railways, who told her, "Fine with me."

Edrei also accused management of blocking a train from leaving in order to "drum up buzz against the workers." "Last Wednesday a train left Lod for Rosh Ha'ayin and the driver said the CEO told him not to return and pick up passengers. The CEO returned a train so he could say I wasn't letting the train run," she told the Knesset Economic Af-

fairs Committee yesterday. "The CEO heard me say that in court and didn't deny it," Edrei said.

Yaron Zaft, legal counsel to Israel Railways, said he hadn't heard any such statement. He said the union did not provide 48 hours' notice for the strike, and said that if anything the court had accused the union of fraying the fabric of labor relations at Israel Railways.

The union will appeal the contempt of court ruling handed down by the Tel Aviv Labor Court against its lead-

ers, Edrei said. Urged by Shama-Hacohen to apologize to the public, Edrei said it would if the Supreme Court rejects its appeal.

It cannot be said that the Knesset Economic Affairs Committee session reached any conclusions. Shama-Hacohen called on the union not to cause the public needless harm and ended with a note of fatherly advice. "Try not to hurt your own interests," he told the union representatives. "You have done yourselves no little harm."

Management says they used violence and were invited to a preliminary hearing. As they didn't show up for the hearing, that was that.

Eini and the workplace union chiefs, headed by Gila Edrei, will meet with Transportation Minister Israel Katz tomorrow in an effort to revive the abortive contract negotiations between the state and IR employees.

Among the union's complaints are the company's decision to outsource various jobs, including train maintenance. The workers also want a raise, and have been offered 12%.

(Avi Bar-Eli)

Eini stages coup of Railways union

The board of directors of Israel Railways last night withdrew the suspension of eight employees who allegedly attacked the company's CEO on Sunday. The board was acting at the behest of Histadrut labor federation chairman Ofer Eini.

In exchange the workers agreed to sit tight and let Eini personally handle negotiations with the state over the workers' various complaints.

While the talks continue the union will refrain from steps that impair service or damage the company. Nor may it do anything without Eini's blessing, the parties agreed.

Management suspended the eight, including three members of the union's workplace for preventing Israel Railways CEO Boaz Zafrir from entering the company's garage in Lod.

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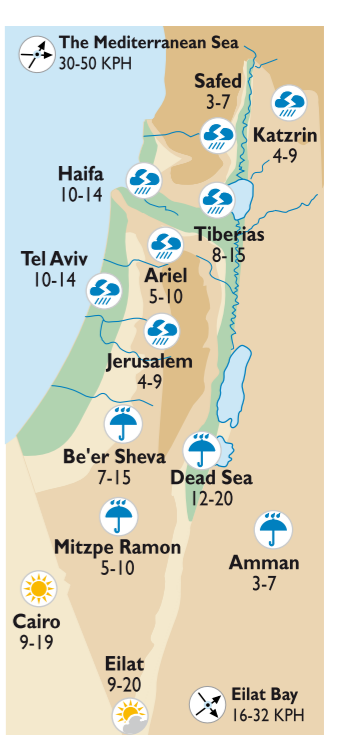
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(Avi Bar-Eli)

Weather



Friday Saturday Sunday
Sunrise 06:21 Sunset 17:26

Air pollution index: 152.12
low medium high
Jerusalem Tel Aviv Haifa Krayot
Be'er Sheva Karmiel Afula Mod'in
pollution forecast for this morning: medium

Cold and rainy
Today will be cool with rain and isolated thunderstorms. There will be snow on Mount Hermon. Tomorrow will be windy and rainy with thunderstorms in the north. It will snow overnight on peaks in the north and center, including in Jerusalem.