

Business Watch

From Register staff and news services

Iowa to get share of Google's \$7 million fine

Google will pay a \$7 million fine to settle a multistate investigation into a snoop software program that enabled the Internet search leader to intercept emails, passwords and other sensitive information sent several years ago over unprotected wireless networks in neighborhoods across the world.

The agreement announced Tuesday covers 38 states, including Iowa, and the District of Columbia, part of the area where households and local merchants unwittingly had some of their communications on Wi-Fi networks snatched by Google Inc. from early 2008 until the spring of 2010.

Iowa's share of the settlement is \$115,428.47, which will go to the state's consumer education and litigation fund, the attorney general's office said.

Google stopped the data collection in May 2010, shortly before the company revealed cars taking street-level photos for its online mapping service also had been grabbing information transmitted over Wi-Fi networks that had been set up in homes and businesses without requiring a password to gain access.

The company blamed the intrusion on a rogue engineer who rigged a data-collection program into equipment that was supposed to only detect basic information about local Wi-Fi networks to help plot the locations of people using its mapping service and other products. After concluding its own investigation, the Federal Communications Commission last year asserted that some of Google's managers knew about the engineer's plan to vacuum information being transmitted over the Wi-Fi networks.

Dow ekes out 8th straight day of gains

A tiny gain gave the Dow its eighth straight increase Tuesday, long enough to match its longest series of gains since February 2011.

The Dow rose 2.77 points, or 0.02 percent, to 14,450.06, having wavered between small gains and losses for most of the day.

The broader Standard & Poor's 500 ended down 3.74 points, or 0.2 percent, at 1,552.48. The Nasdaq composite dropped 10.55 points, or 0.32 percent, to 3,242.32

Oil prices rise for 4th straight day

The price of oil rose for a fourth straight day Tuesday as traders awaited the latest reports on U.S. oil supplies and retail sales.

Benchmark oil for April delivery gained 48 cents to finish at \$92.54 per barrel in New York.

Oil has now risen nearly 3 percent in the last four trading sessions. Whether it maintains that momentum could depend on this week's reports on U.S. oil supplies.

Feds could add a million GM midsize cars to recall

By Tom Krisher

Associated Press

DETROIT — Safety regulators are investigating whether to add more than a million General Motors midsize cars to a recall for brake light problems.

The National Highway Traffic Safety Administration said it's checking into complaints about the 2004 to 2011 Chevrolet Malibu and the 2007 to 2009 Saturn Aura. The safety agency said the brake lights might not come on when the pedal is pressed, while at other times the lights can illuminate for no reason.

In 2009, GM recalled about 8,000 Pontiac G6 midsize cars from the 2005 model year for the same problem. The government announced in February that it's investigating whether to add 550,000 G6s sold from 2005 to 2009.

Now the agency is investigating 97 complaints from Malibu and Aura owners about the same problems. The two cars share many of the same parts with the G6, but GM representatives were unsure Tuesday whether all three cars have the same

brake lights.

The Detroit company sold more than 1.5 million Malibus and Auras from 2004 through 2011, according to Ward's AutoInfoBank, but it was unclear how many of them are included in the investigation.

No additional recalls have been issued beyond the 8,000 cars called in for repairs in 2009, although the NHTSA said it opened the probe to determine whether "the scope of the recall should be expanded or an adjustment in existing remedies is required."

The NHTSA said that if the brake lights don't illuminate, drivers behind the cars won't be warned, and that could lead to a crash. A GM spokesman said Tuesday the company has no reports of crashes.

In the 2009 recall, GM traced the problem to corrosion in a wiring connector. Dealers were to fix it by putting a lubricant on the connector to prevent corrosion.

The company sent dealers a service bulletin in October 2010 detailing how to fix similar brake light problems in Malibus and Auras, the NHTSA said.

COMMODITIES

The price of crude oil rose for a fourth straight day to its highest settlement price in nearly two weeks. Natural gas and wholesale gasoline dipped lower, while gold and silver rose.

	CLOSE	PVS.	%CHG	%YTD
FUELS				
Crude Oil (bbl)	92.54	92.06	+0.52	+0.8
Ethanol (gal)	2.54	2.54	+0.12	+15.8
Heating Oil (gal)	2.95	2.97	-0.70	-3.2
Natural Gas (mm btu)	3.65	3.65	-0.11	+8.8
Unleaded Gas (gal)	3.15	3.15	-0.07	+12.0
METALS				
Gold (oz)	1591.50	1577.80	+0.87	-5.0
Silver (oz)	29.13	28.81	+1.11	-3.5
Platinum (oz)	1595.00	1601.20	-0.39	+3.7
Copper (lb)	3.54	3.50	+1.09	-2.8
Palladium (oz)	773.40	777.10	-0.48	+10.1
AGRICULTURE				
Cattle (lb)	1.29	1.28	+0.45	-0.9
Corn (bu)	7.41	7.35	+0.88	+6.1
Cotton (lb)	0.87	0.87	+0.70	+16.2
Lean Hogs (lb)	0.81	0.81	+0.37	-5.0
Lumber (1,000 bd ft)	389.00	386.50	+0.65	+4.0
Orange Juice (lb)	1.38	1.36	+0.92	+18.5
Soybeans (bu)	14.90	15.15	-1.65	+5.0
Wheat (bu)	7.01	6.94	+0.94	-10.0



Stocks of Iowa interest and soybean and corn futures prices were not available because of technical problems.

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ORASCOM

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Industries or John Deere."

Wichita-based Koch Industries is a major U.S. supplier of anhydrous ammonia, key to growing corn and the main product the Iowa Fertilizer plant will manufacture. The company's holdings include a fertilizer plant in Fort Dodge. Brothers Charles and David Koch, who lead the company, also are large Republican contributors.

Calls and emails to the company Tuesday were not returned.

Branstad and others said the plant will help Iowa farmers save an estimated \$740 million annually in reduced anhydrous ammonia costs. "That's huge," the governor said.

Several local leaders lauded the Lee County project, which snagged \$50 million in state tax credits and has the opportunity to get \$50 million more, among other state incentives, plus an estimated \$133 million in local property tax abatement. Leaders said Iowa and Lee County, with an unemployment rate at 9.1 percent in December, will come out ahead.

The project is expected to create 165 permanent jobs and 2,500 construction positions. Local unions are recruiting workers to train for the construction jobs, said Ryan Drew, president of the Southeast Iowa Building and Construction Trades Council.

"It's not feasible to think all 2,500 jobs will go to Iowa workers," Drew said.

Branstad said much of the criticism about the project is coming from lawmakers in areas that have benefited from taxpayer dollars.

"People from Ames, Iowa City and Des Moines, they get the lion's share of the money, then they want to complain about people in Lee County,

with the state's highest unemployment, getting some good-paying jobs," said Branstad, referring to criticism about the project from Sens. Joe Bolkcom of Iowa City and Herman Quirmbach of Ames, both of whom are Democrats.

Tim Albrecht, the governor's spokesman, noted that "Bolkcom's district gets \$914 million in taxpayer funded-projects," an amount that included several flood-recovery and university-related projects.

"I'm glad to have the jobs, but we paid way too much for them," said Quirmbach, adding that the idea of Senate Democrats and Koch leaders working "in league" together is "laugh-out-loud silly."

"What became clear is that the state did not do its due diligence at the time of the deal. There was not adequate research into the company's legal difficulties, and the state took at face value the company's claims of a competitive offer" from Illinois, he said.

Bolkcom said he stands by his criticism. "I continue to believe that we should bring good-paying jobs to Iowa like those offered by Orascom," he said, but the "sad truth is that the governor still hasn't realized what happened (in the deal), and every Iowan should be concerned that even more of our money will be wasted in the future."

Branstad said Bolkcom, the Ways and Means Committee chairman, was disrespectful to economic development leader Debi Durham in a recent hearing on the project.

The men acted "like a bunch of bullies, interrupting her and not giving the people who were favorable (of the project), other ranking members of the committee, a chance to talk until the end of the meeting, and not giving her a chance to have a final statement."

"Nobody should be treated like that," he said. "Debi Durham works her heart out every

day to bring jobs to the state."

Quirmbach said the committee's questions were tough but fair. "Debi Durham is perfectly capable of handling herself," he said.

Branstad lost his temper when an Associated Press reporter questioned him about the state's justification for allowing Orascom, an Egyptian-based company, to use Midwestern disaster bonds for financing. The federal program provides low-cost interest on the debt, which is privately held. The state holds no liability for the bonds.

"I'm sick and tired of this prejudice against foreign companies," said Branstad, adding that Iowa participates in the global economy and "welcomes people."

"We've got a Korean company located in Webster County. I was there last night. And I'm proud we've got an Egyptian company that's investing here. In Osage, we've got a company from Japan; and we're selling products in China," said Branstad, referring to CJ America's \$323 million investment in Fort Dodge and Valent BioSciences' \$141 million plant in Osage.

State leaders have said the federal program helped cement Orascom's decision to locate in Iowa instead of Illinois, whose leaders have denied being in competition. Branstad discounted that Illinois wasn't competing for the massive project: "Baloney, baloney."

He said it would have been stupid for the state not to use the bonding program to attract Orascom's project in Iowa, especially given that no other companies were lining up to use the bond program and it was set to expire at year's end.

The program is designed to help companies rebuild following a disaster. The state received federal approval to allow any business that's expanding and creating jobs within a disaster area to tap the financing.

HOUSING

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for homes in February increased nearly \$33,000, or 27 percent, from a year ago. Houses are also selling faster, on the market eight fewer days.

Realtors need more homes to sell at various price ranges and locations, Pickering said. February had 3,760 active listings, a decrease from the same month last year by 574 listings. This is the ninth month of declining inventory.

Almost 59 percent of metro

Home sales show more active market

Pending sales in the Des Moines-area home market increased 22 percent over a year ago.

DES MOINES, 2012-13 COMPARISONS

	Closed sales	Pending sales*	Average sale price	Average days on market	Active listings
Feb. 2012	490	814	\$120,226	113	4,334
Feb. 2013	539	994	\$153,000	105	3,760
Change	▲ 10.0%	▲ 22.1%	▲ 27.3%	▼ -7.1%	▼ -13.2%

*Pending sales mean contracts have been written.

Source: Des Moines Area Association of Realtors

THE REGISTER

homebuyers financed a home using conventional financing in December. Almost 13 percent used an FHA loan, and more

than 22 percent were cash purchases. The remaining 6 percent used alternative financing methods.

HOMES

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2,200-square-foot, four-bedroom homes for low-income families will be highly efficient. "It has the potential to be used for infill housing all over Des Moines," said Hatch, a state senator.

The development group would have built all 26 homes from concrete, but Hatch said the state limits how much can be spent constructing restrict-

ed-income homes, and the higher-dollar construction methods exceeded the amount. "These homes will be airtight. They keep the heat in during the winter and the heat out during the summer," he said. "They will last forever."

Hatch Development snagged about \$5 million in low-income tax credits over a decade for the project. Construction, with more conventional materials used to build the other 20 homes, will be completed this summer.

The project is unusual for

another reason: Hatch's group plans to eventually sell the homes to renters. The tax credits provided for the project require that the homes be made available to low-income residents for 15 years.

Hatch said the development group will take \$50 from \$625 in monthly rents and place it in an escrow account that will be made available as a down payment to families buying a home.

Hatch hopes the project also provides some stability for an area that has struggled with violence in the past.

SURVEY

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their professional staffs, hiring when employees leave. And 12 percent see a hiring freeze.

Three percent of CFOs nationally said they would reduce professional staffs. In addition to Des Moines, the only other metro area with no expected professional cuts was San Francisco, Robert Half's report showed.

Gremmer said he expected more central Iowa executives to anticipate hiring more workers in the first quarter, based on

growing orders he sees from companies. Robert Half supplies both temporary and permanent workers in finance, insurance, health care and technology, among other industries.

"As the unemployment rate in Des Moines continues to decrease, and corporate confidence rises, many organizations are making strategic investments in their own infrastructure," Gremmer said. The metro area's unemployment rate averaged 5.2 percent last year, compared with 5.9 percent in 2011.

Candidates with specialized skills — particularly in finance, health care and manufacturing

— are getting multiple offers that force employers to bump up salary offers and add perks like family-friendly scheduling options, Gremmer said.

"It's becoming a more candidate-friendly market," he said, noting that national unemployment rates are significantly lower for some positions, creating shortages nationally and in Iowa. For example, the national unemployment was 1.9 percent rate for fiscal analysts and 1.5 percent for database administrators, according to the U.S. Bureau of Labor.

"A talent shortage has emerged for some highly specialized skills," he said.

HEALTH

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the money part, actually picking a health plan will require additional steps, plus a basic understanding of insurance jargon.

And it's a mandate, not a suggestion. The law says virtually all Americans must carry health insurance starting next year, although most will just

keep the coverage they now have through their jobs, Medicare or Medicaid.

Some are concerned that a lot of uninsured people will be overwhelmed and simply give up.

"This lengthy draft application will take a considerable amount of time to fill out and will be difficult for many people to be able to complete," said Ron Pollack, executive director of Families USA, an advocacy group supporting the health

care law. "It does not get you to the selection of a plan."

"When you combine those two processes, it is enormously time consuming and complex," added Pollack. He's calling for the government to simplify the form and, more important, for an army of counselors to help uninsured people navigate the new system.

The government estimates its online application will take a half hour to complete, on average.