

business

Amazon wins suspension of \$10 bn 'JEDI' contract to Microsoft

● Amazon has alleged it was shut out of the deal because of President Donald Trump's vendetta against the company

● Amazon was considered the lead contender to provide technology for JEDI

● Bezos, who also owns The Washington Post, is a frequent target of the US president



Amazon says the tech giant lost a major Pentagon cloud computing contract because of President Donald Trump's animosity for its CEO Jeff Bezos

AFP | San Francisco

A federal judge yesterday temporarily blocked the US military from awarding a multibillion-dollar cloud computing contract to Microsoft, after Amazon claimed the process was tainted by politics.

A preliminary injunction requested by Amazon was issued by Judge Patricia Campbell-Smith, barring the Department of Defense from starting work on the contract known as JEDI, according to a summary of the ruling available online.

Details of the ruling were sealed for unspecified reasons.

Amazon has alleged it was shut out of the deal because of President Donald Trump's vendetta against the company and

“We have confidence in the Department of Defense, and we believe the facts will show they ran a detailed, thorough and fair process in determining the needs of the warfighter were best met by Microsoft”

MICROSOFT VICE PRESIDENT OF COMMUNICATIONS FRANK SHAW

is seeking testimony from the president and other top officials on the reasons for awarding the

\$10 billion US military cloud computing contract.

The 10-year contract for the Joint Enterprise Defense Infrastructure (JEDI) programme will ultimately see all military branches sharing information in a cloud-based system boosted by artificial intelligence.

An earlier court filing by Amazon detailed alleged errors that ended with Microsoft being chosen over its Amazon Web Services (AWS) cloud computing division, part of the technology group led by Jeff Bezos -- a frequent target of the president.

Microsoft confident

Microsoft said it hoped to prevail after the merits of the case are heard in court.

“We have confidence in the

Department of Defense, and we believe the facts will show they ran a detailed, thorough and fair process in determining the needs of the warfighter were best met by Microsoft,” Microsoft vice president of communications Frank Shaw said.

Amazon did not immediately respond to a request for comment.

Amazon was considered the lead contender to provide technology for JEDI, with AWS dominating the cloud computing arena and the company already providing classified servers for other government agencies including the CIA.

The Pentagon's mistakes in the contract were “hard to understand and impossible to assess” when separated from Trump's “repeatedly expressed determination to, in the words of the president himself, ‘screw Amazon,’” court documents filed by Amazon argued.

Bezos, who also owns The Washington Post, is a frequent target of the US president, who claims the newspaper is biased against him.

The bid protest filed in US Court of Federal Claims urges that the rival JEDI bids be re-evaluated and a new decision reached.

As a condition of the injunction, Amazon was directed to provide \$42 million that would be used to cover any costs or damages incurred if it is determined that the injunction was issued wrongly.

Renault reports first net losses in decade for 2019



Renault said 2020 would likely also be a difficult year as it emerges from the Ghosn controversy in a challenging global market

Paris

French carmaker Renault said yesterday it went into the red last year for the first time in a decade on lower sales and a falling contribution from its Japanese partner Nissan.

Renault said in a statement it suffered net losses of 141 million euros (\$152 million).

It added the outlook for 2020 was bleak with a fresh fall in operational profitability expected and did not rule out possible plant closures.

Last year saw group operating margin drop from 6.3 per cent to 4.8 pc, though Renault stated that it “achieved its targets, revised in October,” despite “a troubled context.”

The auto giant in 2019 marked its first full year without former emblematic CEO Carlos Ghosn, arrested in Japan in November 2018 over allegations of financial misconduct, including under reporting salary and misuse of company assets at Renault partner Nissan.

Brazilian-born Ghosn, who also has French and Lebanese nationality, is now in Lebanon, where he fled in December after jumping bail in Japan.

In a struggling global auto market Renault saw group revenues slide 3.3 pc to 55.5 billion euros while confirming sales dropped 3.4 pc at 3.75 million vehicles.

Unveiling operating income down almost a third to 2.11 billion euros, the group said it expected 2020 to bring a further profitability hit, with revenues of a similar order to 2019.

“Visibility for 2020 remains limited by expected market volatility ... and the possible impacts of the coronavirus,” said acting CEO Clotilde Delbos.

Ghosn fallout

Renault also took a hit from a decline in the financial contribution of a likewise struggling Nissan, in which it has a 43-pc stake, coming in at 242 million euros, down from 1.51 billion in 2018.

Thursday, Nissan said its net profit plunged more than 87 pc for the nine months to December as it struggles with weak demand and fallout from the Ghosn case.

Nissan also revised downwards its full-year sales and profit forecasts, but warned that the impact from the spreading coronavirus crisis was not yet included in their figures.

Friday's results marked the first time Renault -- which said it would slash its dividend by more than two thirds to 1.10 euros a share -- had plunged into the red since 2009 in the throes of the financial crisis when it made a 3.1 billion euro loss.

Court rules Apple must pay workers during bag checks

● Apple employees are required to clock out before submitting to an exit search

● A lower court had previously sided with Apple

● The Apple case is the third the state high court has considered in recent years



On the busiest days, employees say the wait time can be as long as 45 minutes

Los Angeles

The California Supreme Court ruled on Thursday that Apple must pay employees for time spent waiting for their bags and personal electronic devices to be searched when they leave work.

The decision means that the tech giant will have to pay millions of dollars to more than 12,000 hourly workers at California retail stores who fall under the mandatory bag-search policy.

According to court documents, Apple employees are required to clock out before submitting to an exit search which

can take from five to 20 minutes. On the busiest days, employees say the wait time can be as long as 45 minutes. Those who refuse to have their belongings searched are subject to discipline, including termination.

A lower court had previously sided with Apple, ruling that time spent by employees waiting for the exit searches cannot be considered “hours worked” under California law.

The plaintiffs escalated the case to the Ninth Circuit Court of Appeals which asked the Supreme Court to address the state law issue.

The state's high court in its decision issued on Thursday re-

jected Apple's argument that its employees could easily avoid a search by choosing not to bring a bag or iPhone to work.

Quoting from a US Supreme Court decision, it noted that cell phones are “now such a pervasive and insistent part of daily life that the proverbial visitor from Mars might conclude they were an important feature of human anatomy.”

“The irony and inconsistency of Apple's argument must be noted,” the court added.

“Its characterization of the iPhone as unnecessary for its own employees is directly at odds with its description of the iPhone as an ‘integrated and in-

tegral’ part of the lives of everyone else.”

Apple representatives could not immediately be reached for comment on the ruling.

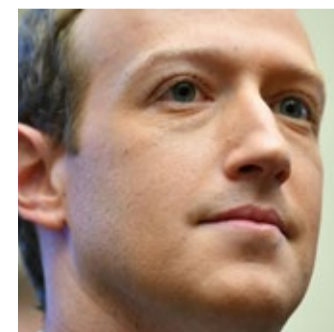
The Apple case is the third the state high court has considered in recent years as related to minimum wage and time during which workers are under employers' control.

In 2018, the court ruled that Starbucks has to pay for off-the-clock work -- such as going through the checklist for closing the store -- that can last a few seconds or minutes past someone's shift.

“Its characterization of the iPhone as unnecessary for its own employees is directly at odds with its description of the iPhone as an ‘integrated and integral’ part of the lives of everyone else”

HIGH COURT

Facebook's Zuckerberg wants 'new framework' for digital tax



Paris

Facebook founder and CEO Mark Zuckerberg yesterday backed moves by the OECD group of free-market economies to reform the way online giants are taxed worldwide, even if that means companies like his own paying more to national governments.

“We also want tax reform and I'm glad the OECD is look-

ing at this,” Zuckerberg says in published extracts of a speech he will make in Germany on Saturday.

“We want the OECD process to succeed so that we have a stable and reliable system going forward,” he added.

The digital tax has emerged as a key bone of contention between the US and France in particular, after Paris imposed its own tax on US digital giants such as Facebook, Google, Amazon and Apple last year.

Washington has slammed the move as discriminatory, but both sides agreed last month to pursue a global framework under the aegis of the Organisation for Economic Co-operation and Development (OECD), with Paris suspending its collection of the tax until December 2020.