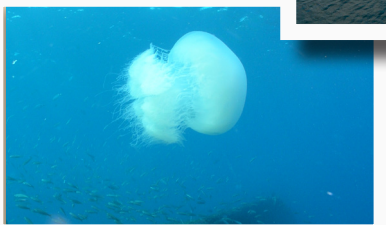
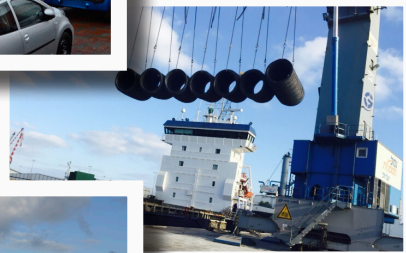
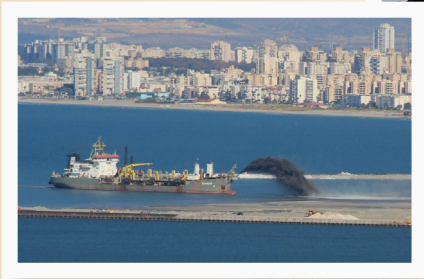


MARITIME STRATEGIC EVALUATION FOR ISRAEL 2018/19

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A Comparison of Oil and Gas Offshore Strategy between Norway and Israel

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Introduction

The discovery of oil and gas fields—like the discovery of other minerals—often achieves energy independence and economic growth, but is sometimes more of a curse—known as “the Resource Curse”—than a blessing. For many countries, it has led to increased inequality, massive corruption and often intervention and the dictation of rules from the outside, whether officially or unofficially.¹

Norway, in contrast, is often perceived as one of the more positive examples of oil and gas resource management for the benefit of society as a whole and as an example of the protection and realization of the interests of society as opposed to those of narrow interest groups. It serves as a model from which other countries can learn.

The Norwegian model is relevant for Israel, in whose economic waters oil and gas fields have been discovered and which is facing major economic problems, such as the housing crisis among the middle class, the downsizing of the welfare state and the increase in inequality. Israel, which is dependent on multinational energy companies, can and must learn from the Norwegian case. How did Norway find oil and gas in large quantities and at the same time remain an egalitarian welfare state? How did Norway develop a local industry that can handle the complex challenges in producing oil and gas in the difficult conditions of the North Sea?²

Norway entered the world of oil and gas during the 1970s with no previous experience. Nonetheless, during the last 50 years, it has managed to develop one of the leading oil and gas industries worldwide and to create one of the largest sovereign wealth funds in the world based on oil and gas revenues. It has progressed from its initial tendency to allow the energy companies to determine the rules of the game to a challenging process of insisting on the ownership of its natural resources and ensuring the transfer of knowledge and technology and the development of national

1 Steiner Holden, Avoiding the Resource Curse: The Case of Norway, June 2011. <http://folk.uio.no/sholden/wp/oil-ghana-norway.pdf> accessed on October 3, 2018

2 Helge Ryggvik, The Norwegian Oil Experience: A toolbox for managing resources <https://www.sv.uio.no/tik/forskning/publikasjoner/tik-rapportserie/Ryggvik.pdf> accessed on October 3, 2018.

expertise in oil and gas. Today, the Norwegian company Equinor, (formerly Statoil) is—47 years after its founding—one of the largest multinational companies and the Norwegian Oil Fund is apparently the largest of its type in the world.

Unlike Norway, Israel has for the last 45 years accumulated national knowledge, technology and expertise on land and in the sea; however, in contrast to Norway where the dependence on multinational companies was the catalyst for the development of independent national abilities in oil and gas, in Israel the process was reversed. The argument of dependence on multinational companies gave Israel a reason to privatize the government oil and gas companies that had accumulated knowledge and expertise, thus eliminating their economic and strategic advantages for the State and Israeli society.

Norway is the only developed country that has succeeded in keeping the windfall profits from oil and gas for itself. About 80-90 percent of the cash flow from the production of oil and gas currently goes to the Norwegian government and only Norway has established trustworthy institutions that are managing this wealth for generations to come. It cannot be said that Israel has implemented good governance and a long-term strategy for the development of its offshore natural gas resources. Israel does not currently have any ownership share in the production of its oil and gas. Israel is apparently the only country, apart from the US and Canada, among the oil and gas-producing countries without a state-owned oil and gas company. About 20 years after gas was first found in Israel, Israelis are more open to ownership of Israeli companies by Chinese companies than ownership from Jerusalem.

If there is one lesson to learn from the Norwegian oil and gas experience, it is the presence and impact of the conflict between the gas companies and society and the importance of determination on the part of the government and civil society in ensuring the State's independence and its position relative to the large oil companies. The Norwegian experience in offshore oil and gas is the result of active democracy, which expresses itself by means of both formal representation of its citizens and, to the same extent, direct citizen involvement.

It can be concluded that to the extent that openness and transparency are adopted in Israel, as well as public monitoring and control of the political agenda and of fateful technological decisions, so Israeli society will be able to better manage its strategic energy resources and to produce benefit for all of society, rather than just the top thousandth of the population.

Norway

At the end of 1950, very few people believed that Norway's continental shelf might be a major source of oil and gas. The discovery of gas in Groningen in Holland in 1959 led to a change in thinking as to the oil potential in the North Sea. This discovery, in a region where energy consumption was based to a great extent on coal and imported oil, focused attention on the North Sea, and in particular the coasts of Britain, Denmark and Norway.

Norway at the time did not have any expertise in oil and gas exploration or exploitation; it did not have any expectation that oil and gas would be found in its territory; it did not have any regulatory framework that could grant oil concessions; and it did not have an agreed-on and fixed maritime border with its neighbors. Furthermore, the Norwegians were facing powerful multinational energy companies that were used to dictating the rules, whether officially or unofficially. Nonetheless, the Norwegians had a powerful advantage – Norwegian senior bureaucrats and politicians, both socialists and conservatives, had designated the good of the country as their paramount interest.

Norway advanced along two axes: first, **it established maritime boundaries almost immediately** and second, **it formulated an oil and gas exploration policy in its maritime territory**. In 1971, 12 years after the discovery of natural gas in Holland (and the effect of that discovery on additional exploration and discoveries in the Norwegian continental shelf (NCS) as well), Norway published an offshore oil and gas policy document, which is also known as the “Ten Commandments of Oil Policy”.³

Norwegian politicians who realized the importance of a national oil and gas policy and the Stortinget, the Norwegian legislature, unanimously adopted the following basic guidelines in June 1972:

1. National supervision and control must be ensured for all operations on the NCS.
2. Petroleum discoveries must be exploited in a way which makes Norway as independent as possible of others for its supplies of crude oil.
3. New industry will be developed on the basis of petroleum.
4. The development of an oil industry must take necessary account of existing industrial activities and the protection of nature and the environment.

³ Norwegian Petroleum Directorate, 10 commanding achievements <http://www.npd.no/en/Publications/Norwegian-Continental-Shelf/No2-2010/10-commanding-achievements> accessed on October 3, 2018.

5. Flaring of exploitable gas on the NCS must not be accepted except during brief periods of testing.
6. Petroleum from the NCS must as a general rule be landed in Norway, except in those cases where socio-political considerations dictate a different solution.
7. The state must become involved at all appropriate levels and contribute to a coordination of Norwegian interests in Norway's petroleum industry as well as the creation of an integrated oil community which sets its sights both nationally and internationally.
8. A state oil company will be established which can look after the government's commercial interests and pursue appropriate collaboration with domestic and foreign oil interests.
9. A pattern of activities must be selected north of the 62nd parallel which reflects the special socio-political conditions prevailing in that part of the country.
10. Large Norwegian petroleum discoveries could present new tasks for Norway's foreign policy.

One of the first steps taken in 1972 was the establishment of Statoil, the state-owned oil company, based on a law passed unanimously by the Norwegian Parliament that year. Statoil received preference in a large proportion of the new concessions in the most promising areas of the Norwegian continental shelf and was exempt from participating in exploration costs, which were covered by its foreign business partners. The foreign oil and gas companies were also required to establish subsidiaries in Norway, to operate according to Norwegian labor and safety regulations and to train Norwegians in order to ensure that the State would not be dependent on external technological knowledge in the development of its resources. The foreign companies were also required to use Norwegian subcontractors and local shipyards, even if their price quotes were higher.

Environment and climate

An important part of Norway's oil policy and an integral component of its offshore oil and gas policy involves environmental and climatic considerations. Norway's environmental and climatic standards in offshore oil and gas are very high relative to those of other countries.⁴ This is why the fifth commandment of Norway's oil and gas

4 Acute Pollution and Oil Spill Preparedness And Response <https://www.norskpetroleum.no/en/environment-and-technology/oil-spill-preparedness-and-response> accessed on October 4, 2018.

policy prohibits flaring—the burning of gas produced as a byproduct of oil—except during short periods of testing.

The responsibility for pollution is defined in Section 7 of the Norwegian Oil Law. Holders of a license for oil and gas exploration and exploitation are responsible for the pollution they cause, regardless of who is at fault (without having to prove negligence or error) or in legal language – strict or absolute liability:

Section 3-7: The liable party and the extent of liability

The licensee is liable for pollution damage without regard to fault. The provisions relating to the liability of licensees apply correspondingly to an operator who is not a licensee when the Ministry has so decided in connection with the approval of operator status.⁵

The strict liability provision provides a major incentive for the prevention of accidents and in particular environmental pollution accidents. The provision places liability on the responsible party for damage caused without having to prove negligence. The rationale behind strict liability transfers the burden of proof from the affected innocents to the responsible party.^{6,7,8}

The development of Norway's offshore oil and gas policy

Norway's oil and gas era began with the discovery of the giant Ecofisk oil field at the end of 1969. Production from the field began in June 1971 and during the five subsequent years the oil companies discovered two more giant oil fields and also a number of smaller fields within Norway's waters in the North Sea. During this period, the Norwegian continental shelf was gradually opened up to exploration, although in each round of licensing only a limited number of blocs were approved for exploration.

5 Norwegian Petroleum Directorate Act 29 November 1996 No. 72 relating to petroleum activities. Last amended by Act 19 June 2015 No 65. <http://www.npd.no/en/Regulations/Acts/Petroleum-activities-act/#Section%207-1> accessed on October 4, 2018.

6 Aili Zong, Liability Regime Concerning The Oil Pollution Rising From Offshore Facilities <https://www.duo.uio.no/bitstream/handle/10852/38222/MT.pdf?sequence=1> accessed on October 4, 2018.

7 Shane Bosma, The Regulation Of Marine Pollution Arising From Offshore Oil And Gas Facilities <http://ssl.law.uq.edu.au/journals/index.php/maritimejournal/article/viewFile/179/221> accessed on October 4, 2018.

8 Legal Dictionary – Strict Liability <https://legaldictionary.net/strict-liability> accessed on October 4, 2018.

At this stage, the foreign companies controlled the exploration of Norway's coastal waters and were responsible for developing the country's first oil and gas fields. In the next stage, Statoil, (Statoil changed its name to Equinor in 2018) the national Norwegian oil and gas company, was established (in 1972) and the principle of 50-percent State ownership in every production license was established. This rule was changed later on, such that the Norwegian Parliament could raise or lower the level of participation, according to the circumstances.

In 1973, OPEC cut oil production quotas, which led to a fourfold increase in the price of oil. A year later, the oil companies reported a sharp increase in profits. Norway's senior bureaucrats and economists understood immediately that the tax regime imposed a few years earlier was not appropriate in the new era of high prices and was costing the State tens of billions of dollars in lost revenue. The new situation made clear the need to change the tax laws and for a wise but tough stance on Norway's natural resources, which would achieve these changes.

During the five years following the discovery of oil in 1969, Norway learned a great deal about the powerful oil industry and was now ready to achieve a maximal share of revenues for itself. It established a national oil company and assigned it the task of creating ownership and direct profits for the State and to create Norwegian involvement in the development of the industry. It instituted a policy that enabled the State to acquire a direct share in the oil fields, without investing in the cost of exploration. However, in the existing tax regime all of the windfall profits from oil and gas would remain with the oil and gas companies, rather than being shared with the Norwegian government.

Norway benefited from a skilled civil service with a long tradition of dealing with powerful foreign interests and in particular companies that had developed Norway's hydroelectric potential at the beginning of the 20th century. The bureaucrats in the Norwegian civil service convinced the government to act quickly and with determination and to take possession of the windfall profits that, in their opinion, belonged to the State while ensuring that the foreign oil rigs would remain in place and continue to operate. Norwegian Ministry of Finance officials were very pragmatic in achieving maximal taxation though at the same time they did not want the foreign oil companies to pick up and leave. In 1974, officials invited representatives of the multinational oil and gas companies and other companies to a meeting in which they announced the new oil law, which would raise the overall tax rate to about 90 percent, a significant increase from the previous level of 50 percent. The representatives of the

most powerful industry in the world were not pleased but not one of the companies that were present at the meeting gave up their oil concessions.

The oil companies, who were furious at the new tax law, began a large-scale media campaign. They declared that they would leave Norway, claiming that it is impossible to operate in a socialist country that does not understand the rules of multinational capitalism. Officials in the Norwegian government feared legal challenges, trade sanctions by the US and the exit of the foreign oil companies. But these fears were in the end unfounded. The oil companies did not leave Norway, despite the higher rate of taxation, and their profits actually increased beyond original expectations due to the rise in global oil prices.

Even more revolutionary and daring than the special tax rate was the approach on which it was based, namely that the government of Norway will be the one to determine the selling prices and basic cost of projects. This approach was in direct contrast to the conventional practice of minimizing taxation, which is still the norm among multinational companies.⁹

The new oil law introduced in 1974 not only raised the tax rate, it also established that the tax would be calculated on the basis of numbers provided by the Norwegian government, rather than those provided by the oil companies themselves. The State would define the value of oil produced and would tax the companies according to it. Norway would not accept what the companies present as taxable income, since these figures are easily manipulated.

Despite the aggressive measures taken by Norway, the large oil companies kept their drilling and production rigs operating on the Norwegian continental shelf since the region remained attractive for investment and primarily **because they could not obtain the support of Norway's conservative party**. Although conservatives were traditionally strong supporters of low taxes, in Norway they supported the higher tax rate and abstained from political opportunism.

It is worth mentioning that in the negotiations with the multinational oil companies the Norwegian political parties presented a united front. There was no argument between the sides on this issue and no one politically supported the business interests of the oil companies. There was a general consensus that Norway needs the technical capabilities and the advantages of scale enjoyed by the foreign companies in order

9 Paul Cleary – Trillion Dollar Baby. How Tiny Norway Beat the Oil Giants and Won a Lasting Fortune. August 2016

to develop the not easily accessible oil and gas fields and all were in favor of the oil companies remaining in Norway, but Norwegian politics was never coopted by the business interests of the oil and gas industry (unlike in the case of Israel). In Norway, it was taken for granted that the interests of the oil sector would not be introduced into the political discourse by spokesmen and lobbyists trying to influence the various parties. Everyone was in favor of a flourishing society in Norway and the idea that Norway should obtain maximal benefit from its oil and gas resources. There was no public discussion of the pros and cons of the oil companies' operations, but rather only the way in which the government would obtain the maximal share of revenues.

The situation described above is in contrast to that in Israel and in many other countries, where the oil companies managed to gain support by means of a "divide and conquer" policy in the political arena. Until today, both sides in Norwegian politics are in favor of the tax regime imposed on the oil and gas companies.

Norway's policy has remained unchanged since 1970. It has collected 70 to 80 percent of the revenues produced from its oil industry, by means of a corporate income tax rate that is twice as high as that in Israel and a designated tax on oil profits. In Israel, the royalties collected on the production of gas from Tamar during the period 2013–2017 were about 11 percent of revenues, on top of about 25 percent in corporate income tax (if it was paid).

Unlike other resource-rich countries, Norway realized that it could maintain control and not end up serving the interests of the multinational oil companies. The meeting in November 1974 was a decisive step toward achieving maximal national benefit from the country's natural resources. The result is that Norway has managed to obtain a maximal share of the windfall profits from its oil and gas and as a result about 80 - 90 percent of the cash flow currently ends up in the State's coffers.

Israel

Since the beginning of 1990, major natural gas fields have been discovered in the Nile Delta and in the sea nearby. The discovery of natural gas in Egyptian waters attracted the interest of a number of geologists in Israel with regard to the potential for finding oil and gas in the Eastern Mediterranean along Israel's coasts. But unlike in the case of Norway, Israel has never fixed the boundaries of its economic waters; it has not managed to formulate an offshore oil and gas policy; it has not passed a law to determine whose responsibility it is to prevent accidents, including environmental

accidents, nor has it determined who is responsible for cleaning up the damage from such accidents.

In May 2008, the government prepared legislation that relates to Israel's economic waters. The proposed legislation was meant to declare Israel's economic waters and to replace the law passed in 1953. The introduction to the proposed law states as follows: "The geological structures [the potential gas reservoirs in the Mediterranean], which are likely to spread over a number of square kilometers, have a potentially high value to the country, which makes the declaration of the Exclusive Economic Zone so important."¹⁰

Israel's offshore oil and gas policy

In October 2011, the Prime Minister and the Minister of National Infrastructures (today the Minister of Energy and Water) appointed the Interministerial Committee to Examine the Government Policy on the Natural Gas Sector, which became known as the Tsemach Committee.¹¹ Essentially, it focused on the export of gas and on the policy to maintain reserves for domestic consumption. Following is a summary of the Committee's recommendations:

- An obligation to supply domestic needs.
- Ensuring energy independence and giving priority to supplying domestic needs.
- Defining the government involvement in the planning and establishment of infrastructure within the natural gas sector.
- Encouragement of competition in the natural gas sector.
- Ensuring that the needs of the natural gas sector are met in the short run.
- Encouragement of the development of small and mid-size fields.
- Licensing of the sale of natural gas outside the Israeli economy.

The document closest to providing an oil and gas strategy is the work plan of the Ministry of Energy for 2018, which was published on February 25, 2018.¹² The highlights of the Ministry of Energy policy according to the document are as follows:

1. An energy sector based on natural gas and renewable energy.
2. The formulation of long-term policy and appropriate regulation of the electricity sector and implementation of the reform of the Israel Electricity Company.

¹⁰ <https://www.calcalist.co.il/local/articles/0,7340,L-3407514,00.html>

¹¹ <http://archive.energy.gov.il/Subjects/NG/Documents/NGSummaryAug12.pdf>

¹² https://www.gov.il/BlobFolder/reports/work_plans_2018/he/work_plans2018.pdf

On April 12, 2010, then Minister of Finance Yuval Steinitz established the Committee for Examining Fiscal Policy Regarding Israel's Oil and Gas Resources, which became known as the Sheshinski Committee. The committee's objective was to determine the optimal tax rate on the production of oil and natural gas in Israel (including in its economic waters), such that the State would benefit from the recent discoveries, and primarily the Leviathan field. The Sheshinski Committee came under heavy pressure from the natural gas companies, which included a media campaign similar to that in Norway in 1974 and a divisive campaign by a dummy organization called the Forum on Behalf of the Land of Israel.^{16,17} In contrast, the Committee had the active backing of a civil organization called the Forum for Civil Action.¹⁸

The committee recommended the cancelation of the "depletion deduction" and raising the tax rate on the production of oil and gas. In order to implement the recommendations, the Oil Profit Levy Law, 5771-2011 was passed (whose name was later changed to the Natural Resources Profit Taxation Law).¹⁹

It appears that in contrast to Norway, the committee members and the Members of Knesset could not withstand the pressure from the natural gas companies. There is a huge gap between the committee's interim and final conclusions and between the latter and the final version of the law passed by the Knesset.²⁰

During 2015, discussions of the new Natural Gas Framework were held in a working group headed by Professor Eugene Kendal, after the Commissioner of the Anti-Trust Authority notified the gas companies that he is reneging on the previous understandings and that he plans to break up the gas monopoly. The discussions were attended by senior officials from the Anti-Trust Authority and representatives of Delek and Nobel Energy, the main players in the natural gas sector. The minutes

16 Yuval Steinitz reveals: "I was afraid they would kill me" <https://www.makorrishon.co.il/nrg/online/1/ART2/457/784.html>

17 <https://www.ynet.co.il/articles/0,7340,L-3932657,00.html> [Hebrew]

18 <http://www.tashtiot.co.il/tag/%D7%A4%D7%95%D7%A8%D7%95%D7%9D-%D7%A4%D7%A2%D7%95%D7%9C%D7%94-%D7%90%D7%96%D7%A8%D7%97%D7%99%D7%AA> [Hebrew]

19 Conclusions of the Committee to Examine Fiscal Policy Regarding Israel's Oil and Gas Resources https://mof.gov.il/BudgetSite/reform/Documents/shashinskiFullReport_n.pdf [Hebrew]

20 Israeli Gas and the History of it being Swallowed up by the Jaws of the Capital-Government-Defense Establishment <https://idanlandau.com/2012/09/24/how-israeli-gas-was-swallowed-up> [Hebrew]

of these meetings give an indication of the intensity of the pressure and the threats from the gas companies and of Israel's capitulation.^{21,22}

The representatives of the gas companies claimed that, among other things:

All of the small factories need gas and they will be closed if they don't get it. Israel's credit rating will drop immediately; there will be mass unemployment; State revenues will drop significantly; the agreements to sell gas to Jordan and Egypt will be cancelled; it will even harm Israel's relations in the region...if someone thinks that we will accept the cartel decision as if nothing happened – then he is making a mistake...This decision is an economic and political terror attack. The implication of what has been stated [by David Gilo, the Commissioner of the Anti-Trust Authority] is the end of the natural gas market...We reserve all its rights under multinational law.

As in the case of the Sheshinski Committee and unlike in Norway, Israel was not able to withstand the pressure from the gas companies.

Environment and Climate

An examination of the situation in Israel with respect to offshore oil and gas disasters, such as that in the Gulf of Mexico, and Israel's preparedness for a similar event paints a worrisome picture. The Tsalul non-profit association carried out an examination of the issue in comparison to the EU Directive that went into effect in July 2013.²³ The EU Directive was written in order to reduce the risks of an offshore oil and gas disaster such as those in recent years and particularly in the Gulf of Mexico. The Directive, which went into effect at the beginning of July 2013, created uniform and binding rules for oil and gas exploration and exploitation, up to the stage of abandoning the well.

In contrast to the European directive, Israel lags far behind in the following areas, among others:

- Legislation in Israel is lacking and most of it applies only to its sovereign waters.

21 <https://storage.googleapis.com/ch2news-attach/2016/04/%D7%92%D7%96.pdf>

22 https://www.mako.co.il/news-money/economy-q2_2016/Article-3029f4231c93451004.htm

23 Offshore Oil and Gas Drilling: A Comparison Between the New EU Directive and Israeli Law http://www.zalul.org.il/wp-content/uploads/2013/11/%D7%94%D7%93%D7%99%D7%A8%D7%A7%D7%98%D7%99%D7%91_%D7%94-%D7%94%D7%90%D7%99%D7%A8%D7%95%D7%A4%D7%99%D7%AA-5.12.13-%D7%A1%D7%95%D7%A4%D7%99.pdf [Hebrew]

- There is no real separation of power between the bodies responsible for environmental safety and protection and those responsible for the economic development of the sea, including licensing and collection of royalties.
- Specific approval is needed for drilling activity instead of clear and stringent criteria.
- There is no connection between the drilling activity and the national preparedness for a marine pollution event. Preparedness is lacking.
- The responsibility of the company to prevent a disaster and to repair damage is limited to a small guarantee and specific insurance coverage, instead of full and binding responsibility.
- There is no supervision by an independent third party at each stage of the planning and activity.
- There is little transparency of information or public participation.

Fred Arzoine, the Assistant Director of the Sea and Shore Branch in the Ministry of the Environment, provided firsthand evidence of Israel's lack of preparedness for an offshore oil and gas disaster during his speech as part of a panel led by the journalist Aviv Lavi in June 2018 at the Conference on the Future of Israel's Maritime Domain. Lavi asked: "Is Israel ready for a major mishap like the Gulf of Mexico at one of the offshore energy production sites?" He answered as follows: "There is finally a budget for spokesmen and advanced equipment, but there are no positions for professional manpower to operate them, and as long as there is no one to operate them, the Ministry of the Environment has no motivation to acquire the ships and the technologies." Lavi then asked: "Then essentially you are saying that what we are doing to protect against the possibility of a giant offshore spill that is liable to destroy the shores of Israel is essentially to pray." Arzoine: "We are continuing to pray."²⁴

What is possible and what is feasible for Israel – Conclusion²⁵

Israel needs to advance the legislative process for two proposed laws which has dragged on for over a decade: the Maritime Zones Law whose goal is to apply Israeli law to the economic waters and the National Plan for Preparedness and Response to Offshore Oil Pollution, which is meant to create preparedness in terms of equipment and manpower for an oil and gas disaster and to limit its scope. Despite

24 <https://www.facebook.com/photo.php?fbid=1830539623677946&set=a.572323132832941&type=3&theater>

25 <http://energynews.co.il/?p=14862>

their importance, these two laws have not yet been passed, a situation that exposes Israel and its waters to major dangers.

In addition to this proposed legislation, Israeli law should determine who is responsible for damage caused by offshore drilling, which will impose full and binding responsibility on those responsible for the damage, both to the natural resources and to the environment; it should define national resource trustees who will file a claim for damage to the environment; and it should require proof of the ability of potential polluters to pay for any damage they may cause, as a condition to begin drilling activity.

A professional public committee should be established that will work toward the definition of intermediate and long-term energy policy, the development and exploitation of offshore natural resources and the regulation of the offshore and onshore natural gas sector, based on the Norwegian and Dutch model, including taxation, with the goal of applying the environmental principles set out in the EU Directive in Israel.²⁶

The functions of the committee should include the following:

- Declaration and implementation of Israel's sovereignty accordance to its rights as a coastal nation and a declaration of Israeli ownership over the natural resources within its economic waters.
- Amendment of the Oil Law, 5712-1952²⁷ and of the Taxation of Natural Resources Profits Law, 5771-2011 (the Sheshinski Law).²⁸
- The formalization of Israeli law that applies in its economic waters, as part of the Maritime Zones Law, without exemptions or exceptions.
- Dealing with issues related to the environment, drilling safety and pollution, by advancing the National Plan for Preparedness and Response to Offshore Oil Pollution Law. In addition, emphasis should be put on requiring effective insurance coverage against an ecological disaster and also imposing strict liability for damage caused by companies that have received a license, concession or lease from the State.

26 DIRECTIVE 2013/30/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:178:0066:0106:EN:PDF>

27 https://www.nevo.co.il/law_html/Law01/315_001.htm

28 https://www.nevo.co.il/law_html/Law01/500_479.htm

- Checking the feasibility for the State to acquire maritime transmission infrastructures for natural gas from the wellhead to dry land, by means of an Israeli government subsidiary (Israel Natural Gas Lines?).
- Checking the possibility of supervision over natural gas prices in Israel.
- Regulating the export of natural gas and determining the price of gas for export for tax purposes. This includes imposing a conceptual export levy such that the price of gas for tax purposes will not be lower than that of gas for the domestic market.
- Advancing plans for alternative energy, such as solar and wind, combined with electricity storage.