

Egyesült Villamosenergia-ipari Dolgozók Szakszervezeti Szövetsége (EVDSZ)

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Jan Willem Goudriaan Deputy General Secretary EPSU

Dear Jan Willem Goudriaan,

As one of the affiliates of EPSU, we would like to ask for your intervention with regard to a labour statue conflict in Hungary. AES, a major US corporation, was among the first to acquire ownership in Hungary during the privatisation of the electric energy industry. It purchased the Borsod Power Plant and the Tisza Power Plant in 1996. AES came to Hungary with certain values and introduced a corporate culture in the companies it purchased such as:

putting safety first acting with integrity honouring commitment striving for excellence having enjoyment through work.

Employees identified with these principles, which is shown by their loyalty to AES throughout 15 years.

On 29 March 2011 the AES Borsod Power Plant announced the suspension of operations at its coal fired Tiszapalkonya plant with a capacity of 90 MW and the biomass based Borsod plant with a capacity of 71 MW. Furthermore, AES announced that it had conducted negotiations about the sale of these plants.

At the request of its VDSZSZ AES Tisza Power Plant affiliate and its VDSZSZ Borsod Power Plant affiliate, the president and vice president of EVDSZ negotiated with the management of AES Borsod Power Plant on 7 March 2011 for the first time. At the meeting Mr. Steve Corwell, the representative of AES in Hungary, announced that the company could not take on any obligations concerning labour since the mother company, AES Corporation, refused to satisfy the financial demand concerning payment with regard to dismissals.

This was and has been unacceptable for EVDSZ, since in the past 15 years AES has taken significant dividends out of Hungary. The non-payment of benefits for employees which are ensured by law (salaries from June 2011, social benefits and those for redundancy as from January 2011) contradicts the values AES applies across the world.

Following this EVDSZ had talks with representatives of AES in Hungary, the potential investors intending to purchase the power plants and the President of the Hungarian Energy Office on several occasions. Moreover, we wrote to Mr. Viktor Orbán, Hungary's Prime Minister, concerning the matter.

Despite our efforts, contracts of sale for the power plants were not realised and after failed bankruptcy proceedings, a liquidation process began against the AES Borsod Power Plant.

In this situation we are turning to you, Deputy General Secretary, to ask for your intervention in the interest of more than 200 employees. We would like to ask that the



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organisation led by you would help the realisation of the following aim by using the international strength and international relations of EPSU.

In the case of liquidation of the Borsod Power Plant, AES, as the owner should ensure, i.e. pay for, the benefits due to the employees, such as: unpaid salaries since July 2011 social benefits owed since January 2011 allocations due to loss of employment.

We would be grateful if EPSU turned to AES, as the owner, in a letter in the interest of achieving the above-mentioned aim.

Thanking you in advance for your co-operation,

Rezső Gál President EVDSZ

Budapest, 06 October 2011