

Mishy Harman: Hey Brian.

Brian Blum: Hey Mishy.

Mishy Harman: How are you doing?

Brian Blum: I'm doing great.

Mishy Harman: So where... where are we, Brian?

Brian Blum: We're standing in front of some nice Eucalyptus trees and in front of a car.

Mishy Harman: Your car.

Brian Blum: My car, yeah.

Mishy Harman: I see that it says "Better Place 100% Electric" right on the driver's door.

Brian Blum: Exactly. So this is the car that the Israeli startup Better Place sold. This is a 100% electric car. That means that there's no gasoline engine in it at all. There's just an electric engine in the front and a great big battery in the back that fills up like half the trunk.

Mishy Harman: So should we go for a drive?

Brian Blum: Yeah.

[doors opening and closing]

Mishy Harman: OK, so here we are, we're in the car.

Brian Blum: Right, and I'm going to start the car. First I'm going to punch in the secret code.

[sound of code]

Brian Blum: Now I'm going to turn the car on. Are you ready?

Mishy Harman: Yup.

[activation clicks and bluetooth beep]

Mishy Harman: Wait, that's it?

Brian Blum: That's it. That's... The car's on. Do you hear anything?

Mishy Harman: The car is now on?

Brian Blum: The car is on. This is the amazing thing about an all electric car, is there is absolutely no noise.

Mishy Harman: Wow OK, so should we start driving?

Brian Blum: Yeah, but we have a - we have a special passenger. My wife Jody is about to get in the car.

[door opens and closes]

Mishy Harman: Hey Jody, how are you doing?

Jody Blum: Good thank you, it's a sad day though. Saying goodbye to something.

Mishy Harman (narration): Hey I'm Mishy Harman and this is Israel Story. Israel Story is brought to you by PRX and is produced together with Tablet Magazine.

So, you heard Jody mention that it was a sad day for her, that she was saying goodbye to something near and dear. And well, folks, today's show is a little different than our usual ones. See, our main character, the one Jody was parting with, isn't exactly Israeli. Or at least isn't exactly an Israeli *person*. No, no, no. The hero of our story today is... a car. A car that many hoped would take over the world.

But our episode is also about a group of Israelis, not many - maybe about a thousand - who developed an almost religious passion for that car, and would do basically anything to keep that relationship alive.

Brian and Jody Blum from Jerusalem bought their 100% electric Renault Fluence Z.E. from an Israeli company called Better Place in 2012. They were among the first customers.

Brian Blum: I wanted an electric car from this company, Better Place, the second I read about it in the introduction to the book 'Start-up Nation' by Saul Singer and Dan Senor. They started their entire story about how amazing and different Israel is as a place of entrepreneurship and innovation by telling the story of Better Place. And I read that and I said, when this company is real and when they're selling cars, we've got to get one.

Mishy Harman (narration): Luckily for Brian, he wasn't alone. Here's Jody.

Jody Blum: It was a dream of mine to have one. So we went and test drove this car and we decided pretty much on the spot that we were buying it.

Mishy Harman (narration): Brian and Jody never looked back. They were thrilled with their purchase.

Brian Blum: I love the car, really love this car. Love the way that it drives, love the fact that it's, you know, all electric, love the fact that we were pioneers.

Mishy Harman: Do you think you're more invested in your car than most people are in their cars?

Brian Blum: Oh for sure, for sure.

Mishy Harman (narration): It wasn't just by chance that the story of Better Place, the electric car company that sold the Blums their Fluence Z.E., opened up the best-selling book *Start-Up Nation*.

Not that long ago, Better Place symbolized the future. It was *the* Israeli promise. And pride. It was worth billions, at least on paper, and it was going to change the world as we knew it.

In 2007, long before Tesla and Elon Musk became household names, a thirty-nine-year-old Israeli entrepreneur by the name of Shai Agassi came out with an announcement that rattled the world: He was going to revolutionize transportation, make countries oil-free by 2020, and curb the effects of climate change. Agassi was going to put millions and millions of drivers, all around the globe, behind the wheel of an inexpensive electric car, with virtually unlimited range. And that - he told anyone who would listen - was going to make the world **A Better Place**.

It didn't take long before that radical, utopian idea made Agassi a rock star: Bill Clinton was giving him advice, Shimon Peres was singing his praises, he was on the cover of countless magazines and a guest on all the major talk shows.

The sustainable future he described was at once rosy and green.

Brian Blum is a Jerusalem-based journalist and the author of a new book about Better Place. He's going to tell us why this idea, why this car really, generated such excitement and inspired such devotion, and why its end was so devastating. **Act One - The Promise**.

Brian Blum (narration): I first learned about Better Place back in 2009, when its charismatic CEO Shai Agassi hit the TED stage in Monterey, California. Here he is.

Shai Agassi: *[Applause]* So how would you run a whole country without oil? That's the question that sort of hit me in the middle of a Davos afternoon about four years ago.

Brian Blum (narration): At the time, Agassi was a successful Israeli technology executive and a member of a group called the Forum of Young Global Leaders that met every year in Davos, Switzerland. The group had been charged with answering a seemingly simple question - "how can you make the world a better place?" Agassi ran with that question, establishing a company called... 'Better Place.'

Shai Agassi: If you could convert an entire country to electric cars in a way that is convenient and affordable, you could get to a solution.

Brian Blum (narration): Shai Agassi's solution was to create the world's first affordable all-electric car. That meant that you wouldn't need a single drop of oil to run

it. Now this wasn't a new idea. But all previous attempts had fallen short: Electric cars were simply too expensive. And they couldn't overcome the issue of range anxiety.

Brian Thomas: Range anxiety is one of the things that the non-electric-car driving public think matters above all else. They think you drive around in a perpetual state of worrying that you're going to stop.

Brian Blum (narration): That's Brian Thomas. He's originally from London, and now lives in Tel Aviv where he works as a computer importer. He also owns a Better Place car. And he is talking about one of the biggest obstacles that prevented electric cars, pre-Better Place, from reaching a mass market. You see, drivers couldn't get beyond the fear that an electric car would run out of juice in the middle of nowhere, unable to move another inch before they were plugged in. After all, an electric car runs on a lithium ion battery, just like the one in your cell phone or your laptop, only bigger. And those batteries drained down fast, especially if you used your air conditioning, or the windshield wipers, or you had a lot of hills to climb.

Shai Agassi was going to solve that problem. His idea? Battery switch stations.

But before he could change the world, he needed to prove his concept actually worked.

And that's where Israel came in.

Agassi's plan was to turn Israel into what's known in the hi-tech world as a "beta site." First, Better Place would blanket the country with plug-in charge spots - half a million of them were planned - and then they'd build an extensive network of battery switch stations. This would allow Agassi to sell *hundreds of thousands* of cars in Israel alone. Mind you, the entire population of Israel at the time was just over seven million.

Here's how Agassi described the switch stations on the TED stage:

Shai Agassi: It looks like a car wash. You come into your car wash. And a plate comes up, holds your battery, takes it out, puts it back in, and within two minutes you're back on the road and you can go again.

Ya'ara di Segni: You drive into a mini tunnel. You kind of position your wheels to go in the right lane.

Brian Blum (narration): Ya'ara di Segni is an editor at a women's magazine. She was one of the first Israelis to buy a Better Place electric car. I met up with her in her swanky Tel Aviv office.

Ya'ara di Segni: And then you kind of hear a little bit of clanking noises and the robot underneath pulls out the

battery, puts a new battery in and closes everything, and then you're kind of free to move forward.

Brian Thomas: It was an amazing technology. The feeling of driving into that station, the full automation was very impressive, I mean it was just, it was just space age.

Ya'ara di Segni: Switching batteries was the coolest thing on the planet. I loved it, I loved it.

Brian Blum (narration): But it wasn't just the space age switch stations. There were other innovations that addressed the menace of range anxiety.

Brian Thomas: One of the things Better Place had right from the start was a pretty good prediction system. You put in your destination, and it told you what's your percentage going to be when you get there. It could plot a multi-stop trip, via the switch stations, filling up with a brand new battery at each one, and you got wherever you wanted to go, it was wonderful.

Brian Blum (narration): In order to turn Israel into the land of milk, honey and... electricity, Agassi had to make some powerful allies. His first step was converting then-president Shimon Peres into a passionate electric car advocate. Here's Peres talking about the car in a Better Place promotional video.

Shimon Peres: You know the calculation of what is cheap and what is expensive is wrong. Because expensive is things that pollute our lives. Cheap is things that makes our live better and cleaner. We decided to be first to introduce an electric car that doesn't pollute.

Brian Blum (narration): Agassi then began talking to various car manufacturers about building his dream vehicle. Better Place would create the infrastructure - the switch stations and the charge spots - and would partner with an established carmaker that would build the vehicle itself. Most of the car companies wanted to sell Agassi the hybrid cars they were already manufacturing.

Shai Agassi: But one of them, Carlos Ghosn, CEO of Renault and Nissan, when asked about hybrids said something very fascinating. He said, hybrids are like mermaids. When you want a fish you get a woman and when you need a woman you get a fish. *[laughter]*.

Brian Blum (narration): Agassi committed to buying 100,000 units of a car from Renault called the Fluence, which was then in development. Renault would modify the gasoline-powered model, and add Z.E. to the end, for zero emissions.

Now, in order to bring the cost of the car down, Agassi decided to think not so much like a car manufacturer but rather as a cell phone provider.

So what does that mean? Well, his idea was that when you bought a Better Place car, you would get the car but Better Place would own the battery. It was sort of like buying a mobile phone and then paying AT&T for the minutes. In Better Place's case, the "minutes" were your electricity, which included plugging into your charge spot at home or at work and all the battery swaps you needed, all for a low monthly subscription fee.

The early response was ecstatic.

Over the course of the next four years, Better Place raised a whopping 850 million dollars at a valuation of \$2.3 billion. That's billion with a "b."

Once Better Place took off, it seemed like nothing could stop it.

The company opened offices not only in Israel, but also in Denmark, the Netherlands, Japan, China, Canada, Palo Alto and Hawaii.

Meanwhile, Agassi's TED Talk had a major impact on other players in the Israeli hi-tech industry. One of them was Yosef Abramowitz, a pioneer of solar power in Israel.

Yosef Abramowitz: After hearing him speak, I was like 'oh my G-d. The state of Israel, the state of Israel, we can be the first, not just on the transportation, but also on energy, to go from burning fossil fuels to being powered by green technologies.' So I quickly went over to Shai and I was like, "look, two thirds of greenhouse gas emissions in the state of Israel are from power plants, and one third is from transportation. Let's figure out how to work together and zero all that out and be an example for the rest of the world."

Brian Blum (narration): Before long, Better Place opened a Visitor's Center north of Tel Aviv, where the public could test drive a fully electric car. Over the next several years, 80,000 people - politicians, celebrities, students on school outings, college kids on Birthright trips – all made the pilgrimage to the Center. Actors Ashton Kutcher and Demi Moore showed up. So did Leonardo DiCaprio and his then-girlfriend Israeli supermodel Bar Rafaeli.

Tal Bar: The Visitor's Center was really an amazing place.

Brian Blum (narration): That's Tal Bar, who was Better Place's top salesperson.

Tal Bar: Our title [*Tal laughs*] was switchers, yes? because that was our goal - to switch you from a gasoline car to an electric one. There was a huge like cinema, with refurbished car seats.

Brian Blum (narration): That's where visitors would be introduced to the Better Place vision. It was detailed in a movie that was as inspiring as it was over the top, complete with polar bears, melting ice caps and a holographic projection of Shai Agassi.

Visitor Center Clip: Over the past one hundred years, virtually everything we do has been transformed by technological innovation, and yet our cars are still powered by the same platform designed over a hundred years ago. We drive faster and further but we still rely on an internal combustion engine running on gasoline made from oil. It's time to ask ourselves: Is the transportation model that was good for us at the beginning of the last century appropriate for the world that we live in today?
Shai Agassi: Put it all together and what you have is a switch from a pump to the plug. We're ready, the car's ready, the infrastructure is ready, the solution is ready for you to consume. The question is, are you ready to switch?

Mishy Harman (narration): OK, so as you could hear in that promotional video of theirs, there was a lot of hype around Better Place. I mean “a switch from the pump to the plug”? That’s some good copy right there. Suddenly Better Place was... everywhere.

[media mash-up]

Mishy Harman (narration): Shai Agassi was on Time Magazine’s list of the one hundred most influential people in the world, he had meetings at the White House and Bill Clinton even wrote that Better Place, quote, “serves as an example of how businesses can prosper while also serving humanity.” Everything, it seemed, was going their way, and nothing could stop them.

Act Two - Car Meets Driver. Here’s Brian again.

Brian Blum (narration): Fast forward to the summer of 2012. Everything seemed set for Better Place to convert Israel into a nation of electric car drivers: The switch station network was opening. The first customers were buying their cars and they couldn't have been more enthusiastic.

Ya'ara di Segni: I still remember the first time we test-drove the car. We sat in the car, and the salesperson said, "turn on the engine, turn the key."

Brian Blum (narration): That's Ya'ara di Segni again, the women's magazine editor, who was one of the first Better Place car owners.

Yaara di Segni: We heard nothing, and he said "the engine's on, look, there is like a green 'go' on the dash. And if you put it in 'drive' and press the pedal it will move" and it did, and it was absolutely amazing.

Brian Blum (narration): My wife Jody also remembers that first test drive.

Jody Blum: In turn, they gave each of us a chance to sit in the driver's seat and drive, and they encouraged us very much to put the pedal to the floor and to go as fast as we can, and it was extremely exciting and I felt a charge in my body, and I felt, I need to have this car.

Brian Blum (narration): Brian Thomas loved the speed of his new electric car.

Brian Thomas: I used to drive and race cars in the UK, where I'm from. The last car I had in England before I left was an Alpha Romeo, the one before that was an MG. I couldn't come here and buy an electric car - they're golf carts. But then we got to test-drive the car, and I put my foot down... the car just leaped forward in a way that I'd never felt in anything except very expensive, very fast, racing cars. I could feel it immediately - this throttle response that you... you don't get in petrol cars. And I felt this thing woosh. And I thought that's odd. This feels different. And, I was sold, and I bought one.

Brian Blum (narration): It wasn't only the quiet ride, the incredible speed, and the futuristic battery switching stations that were generating tremendous excitement. For many people, buying an electric car was also about saving money.

Itay Cohen: My name is Itay Cohen, I'm a 3D artist, and I drive a Better Place Car. I love it.

Brian Blum (narration): Itay used to drive more than a hundred kilometers a day to get to and from work. He was paying over four thousand shekels a month just for gas, which he says, was a big chunk of his salary.

Itay Cohen: I was trying to see how could I economize better my travels. I knew I could save at least a thousand shekels a month. And this was like a win-win for me, it was a new technology, things that I believe in, and I can save a lot of money so for me it was a no-brainer. I can - I could just do my stuff.

Brian Blum (narration): There was also a kind of national pride that Israel, the Startup Nation, was doing something on such a grand scale.

Saul Singer co-wrote the book *Start-up Nation*.

Saul Singer: So we call Israel the Startup Nation because it has more startups than anywhere outside of Silicon Valley. Better Place was a very unusual startup. It was very ambitious. And actually startups do usually have a global ambition, but Better Place was especially ambitious in terms of taking on big industries like transportation, energy, and so on.

Brian Blum (narration): And what's more, Better Place stood out in its commitment to provide the kind of customer service you don't usually find in Israel. Friendly and helpful phone operators were available to answer questions 24/7.

In fact they were so nice and accommodating, that some drivers, Efi Shahak for instance, started calling in with non-car related requests.

Efi Shahak: If you will just call the service center at two o'clock at night and just ask about a restaurant, they say, "no problem, just wait for a moment," and they will give you the open cafe or the restaurants and you can go there.

Jody Blum: Once we were on our way home from a wedding...

Brian Blum (narration): That's my wife Jody again.

Jody Blum: And we had to switch once on the way home. We came to the station - it was unmanned - the station shutter opened up for us. And at some point during the process of the swapping of the battery, the mechanics broke down and the whole entire system stopped. So we could not leave and get home or do anything, 'cuz there was nobody there to work on it. It would take them hours. We were on the phone with them, and they told us, "it's not something we can fix right now, however there is a spare car sitting in the lot, and we are going to explain to you now how to get the keys to that spare car out of the locked office. And the next day, they supplied us the service of bringing our car back with a fully charged battery and took the spare car away.

Brian Blum (narration): Another time Efi had a flat tire.

Efi Shahak: It was Friday afternoon in Tel Aviv and I said, "OK, what I'm gonna do now?" Because you know, there's no spare wheel in the car.

Brian Blum (narration): That's right. Renault had left out the spare tire because almost all the space in the trunk was taken up by the car's enormous electric battery, which was the size of a kitchen table and weighed nearly seven hundred pounds.

Efi Shahak: So I called the service center, and they say, "no problem, we'll find you a place." They found me a place in Jaffa, about ten minutes from there, they called the store there, and they tell them that one of our customer are going to come, and if you have the exact wheel that you can change it? And they say, "yes, no problem. We're going to wait for him." It was about five afternoon. Usually on Friday, five afternoon, you will find nothing in Tel Aviv open. You can't get service like this.

Mishy Harman (narration): By the summer of 2012, the buzz surrounding Better Place had reached a peak. The switch stations were going up all around the country, and the company was the talk of the town.

But this is where our story takes a turn: The whole operation was enormously expensive, and even though the public didn't know it, Better Place was bleeding money. They

needed to increase sales, fast. That's when they released their first TV commercial. Let's just say that it wasn't what people had expected.

Better Place Commercial: She's not for everyone. Only for people who won't accept things as they are. She's not everyone's kind of thing. Just for those who are fed up with unstable gas prices. Not everyone's going to love her. Only the ones who no longer want to poison the air that we breathe. She's definitely not going to be love at first sight, except for those who want great performance without the fuss. She's not for everyone. Only for those who believe they have the right to make the world a better place.

Mishy Harman (narration): OK, back to Brian, and **Act Three - The Fall.**

Brian Blum (narration): The Better Place commercial had kind of an Apple "Think Different" feel to it.

Apple Ad: Because the people who are crazy enough to think they can change the world, are the ones who do.

Brian Blum (narration): But it was *not* well received. Efi Shahak, for example, the guy with the flat tire, felt that Better Place had gotten its messaging all wrong.

Efi Shahak: Maybe they tried to say to the people, 'not everybody can drive this car, only special people.' I think this was wrong. Because this car, it's not like Tesla in the United States for example is for rich people. This car was for the regular people. People that go to work, drive to work, drive to the supermarket, go to visit their friends.

Brian Blum (narration): Aside from being elitist and sexist, the ad campaign also made it clear that the car wasn't going to be as cheap as the public had been led to believe. After all, in his original TED talk Agassi had said...

Shai Agassi: Affordable is not a \$40,000 sedan.

Brian Blum (narration): But the price of the first Fluence Z.E.? Just under \$40,000.

Yosef Abramowitz: The expectation in the market here in Israel was that the electric car was going to be cheaper for the consumer, in every way.

Brian Blum (narration): That's Yosef Abramowitz, the solar energy pioneer.

Yosef Abramowitz: There was a lot of hype and anticipation, so finally when the roll-out happened, the price of the car was a sticking point. And really helped undermine the enthusiasm of the market.

Brian Blum (narration): Shelly Silverstein was also shocked by the price. She headed up Better Place Israel's HR department. The initial expectation, she recalls, was...

Shelly Silverstein: It would be affordable for a student, a soldier, a young couple, a retired person. That was the mantra.

Brian Blum (narration): But the price was far from “affordable.” Tal Bar, Better Place’s top salesman, remembers the day the prices were first announced.

Tal Bar: It was harsh. I can say that people were very very disappointed once they heard the prices of the car. They expected something, that would be, you know, substantially cheaper than a gas car. The majority of Israelis are not driven by the green - the environment... but the green in the, you know, in the pockets. You know, it has to make sense economically.

Brian Blum (narration): But as an insider, Tal also knew what Better Place's expenses were.

Tal Bar: Better Place had to buy the battery in advance, buy the charge spot, do all the engineering, install the charge spot, deploy battery switch stations all over the country, all of this stuff really cost a lot of money. This is what we need in order to really cover the investment.

Brian Blum (narration): Better Place had predicted that thousands of cars would be sold in the first year alone. But in the initial months, just a few hundred cars left the Visitor’s Center.

Still, Shai Agassi wasn't too worried.

Tal Bar: In his eyes, it's like he's a little bit living ahead of time of everybody else, you know, a little bit in the future.

Brian Blum (narration): Yet it wasn't the price that was scaring off buyers.

Brian Thomas: It's incredibly conservative here, on buying new innovation.

Brian Blum (narration): Brian Thomas, the former race car driver, again.

Brian Thomas: In fact, until America's been using something for five years, the Israeli public is just not interested. So we're... we're the startup nation for creating this stuff but not for being the early adopters.

Yoav Heichal: If you're trying to launch a new car into the market, it will take you about five years from the day you actually made the concept.

Brian Blum (narration): That's Yoav Heichal, who was then Better Place's chief engineer.

Yoav Heichal: Unfortunately for us, the Fluence, when it was launched into the market, it was not very attractive.

Brian Blum (narration): The car itself had some... idiosyncrasies. The small trunk for instance.

Ya'ara di Segni: The trunk is not exactly the best. I'm very good at stuffing a lot of things in very small spaces, I do that with my freezer all the time, so I did learn to put like a weekly shop in that trunk, but yes, it is small.

Brian Blum (narration): Then there was the issue of the switch station locations Better Place had selected. Many of them weren't convenient, situated far from the main commuter highways, behind factories and in one case next to a city dump. Yoav Heichal, the chief engineer, explains why that happened.

Yoav Heichal: Problem in Israel was that we tried to really deploy the station as fast as we can. So in many cases, we compromised and we actually took some sort of an industrial real-estate. The downsides were that when people started using the cars, they were a little bit disappointed with the locations of the stations.

Brian Blum (narration): Even environmentalists, whom you might have expected would have gotten behind the Better Place message of weaning the world off oil, hesitated. Yosef Abramowitz tried, unsuccessfully, to rally the green troops.

Yosef Abramowitz: It was too slick for them. It was too corporate. It was too big-business feeling.

Brian Blum (narration): Perhaps the billion dollars Better Place had raised, made the company seem more like ExxonMobil than Greenpeace.

Yosef Abramowitz: We're kind of home-grown, organic people. Grass roots and build up. And it didn't work. It was too suspicious in the eyes of the environmental movement.

Brian Blum (narration): None of these problems should have been insurmountable had the company kept costs low. After all, they'd raised the money. But they were also spending it, quite freely.

Shelly Silverstein, the HR executive, recalls the prevailing atmosphere in the company.

Shelly Silverstein: We've got a lot of money and we're going to last forever.

Brian Blum (narration): Yoav Heichal agrees.

Yoav Heichal: We need more money? No problem. We'll go to somebody else and we'll explain why we need it, and we'll get it. So, it was always - I would say - the spirit of the company that money doesn't matter. Time matters. So if we can buy time with money, we should do it. So if we need to drill a hole in the station, and we need to do it now, we will pay five times more than that in order to get it now instead of tomorrow.

Brian Blum (narration): Almost every facet of the operation, all the way from installing a charge spot in a customer's garage to building a new switch station, went over budget.

At the rate at which it was spending, Better Place - which had been synonymous with success and futuristic thinking - was running out of money. Only a few hundred cars had been sold, and something had to give.

And so, just after Yom Kippur 2012, the company's founder, Shai Agassi was fired. It came as a complete shock to the Better Place staff.

Shelly Silverstein: Shai was the face and living heart of Better Place. How could they fire him? He was Better Place.

Tal Bar: It doesn't make sense. Like, what is this? You cannot have Better Place without Shai Agassi. I mean, it's his... it's his idea, it's his work, it's his baby. And it was a very sad moment for everybody. People crying, and really, it was tough.

Brian Blum (narration): What few electric car sales there were, basically stopped once Agassi was out. Better Place's existing investors injected yet another hundred million dollars to keep the company going as a last gasp. A new CEO was hired, then fired. And then another. But it was too little, too late. With Agassi gone, Better Place had lost not only its heart but also the public's trust.

Just over six months later, on May 26, 2013, Better Place filed for bankruptcy.

Mishy Harman (narration): When a company worth 2.3 billion dollars goes belly up in just over five years, you'd think that every single Better Place car owner would say 'I'm out of here,' run to the nearest car dealership, and try to offload their \$40,000 paperweight.

But that's not what happened. Not at all. **Act Four - The Holdouts.**

Brian Blum (narration): When Better Place went bankrupt, something remarkable occurred. Drivers refused to stop believing in the vision of an electric car future. Drivers like Brian Thomas, Ya'ara di Segni and Efi Shahak.

Brian Thomas: I'm driving the car every day. I've done five years and 60,000 kilometers in it, and enjoyed it. I drive my wife's diesel car from time to time and I can't believe I have to get out of the thing, pick up this horribly smelly, ughhh, diesel nozzle, and put it in the car, and stand there while it glug glug glug glug glug glug glug, and then handover four hundred shekels for the privilege. I mean it's awful. And it smells and you get it on your hands and you drop it on your feet, it's... the whole process of filling up a petrol or a diesel car is atrocious.

Ya'ara di Segni: I think, certainly, the first wave of people who bought those car really believed in the vision. It meant something more than, than just four wheels.

Efi Shahak: We loved the car. We love it also right now. Even we have so much problems driving it. But it's a fantastic car. Really. The experience of driving such a quiet car with all its technology, it was amazing.

Yosef Abramowitz: The drivers really led the way, it was very inspiring, they reminded me of the early Apple users, where there was just this... this sense of being part of a movement.

Brian Blum (narration): The drivers' commitment inspired Yosef Abramowitz. He teamed up with Efi Shahak, who was by now the founder of a non-profit group called The Association of Electric Car Drivers in Israel, and the two put in a bid to buy Better Place's assets.

Yosef would bring the money. Efi would run the company. Ya'ara di Segni joined them too. Their goal was to keep Better Place going.

Ya'ara di Segni: When Better Place collapsed, we had like an emergency meeting and about fifty drivers turned up.

Yosef Abramowitz: It was basically a pep rally that we can do this, we can really forge a new destiny for this wonderful idea. And from that a lot of people came forward and said, "OK, I can help with this part, I can help with this part."

Brian Blum (narration): But how could this trio, however well intentioned, succeed where nearly a billion dollars of investment had failed?

Yosef Abramowitz: Our job was, 'could we save the system and keep it operational at a million dollars a month?' At a million dollars a month, Better Place 2.0 could have operated, could have stabilized, and could have grown organically.

Efi Shahak: There was no problem. Everything was going. We operate the switching battery stations. We operating the electric spots everywhere. We have all the drivers driving with these cars for another month. There was no problem to operate the company.

Brian Blum (narration): But there actually *was* a snag. A big one.

Efi Shahak: The problem was the cash flow.

Brian Blum (narration): Yosef's investors weren't able to come up with the money in time. And three-hundred-and-fifty cars that he had hoped to sell to generate some extra income were stuck at the Ashdod port, buried under red tape.

Efi recalls what happened next.

Efi Shahak: We went to the liquidators and I said to Yosef, “listen, this is the end. We don't have the money, we don't have the cash flow, we need to pay salary, we need to pay for the suppliers. We can't continue like this.”

Brian Blum (narration): Another company tried to buy Better Place; it failed too. With no one left to run day-to-day operations, the switch stations were soon shuttered. But the Better Place drivers *still* refused to stop driving.

Let me try and give you a sense of how unusual this is. We all know people that get attached to obsolete machines or technologies. Barack Obama famously held onto his Blackberry long into the iPhone age. But this was different. It became a real pain in the neck to own a Better Place car. Just think of it - no switch stations, no spare parts if the car breaks down, no one to call if you're having problems. Who needs all that hassle?

Efi Shahak: You can't drive even from Tel Aviv to Haifa, or from Tel Aviv to Jerusalem. If you don't have a place to charge the car for another few hours, you can't do it.

Brian Blum (narration): But the stubborn Better Place drivers wouldn't give up, even if it meant implementing some highly creative solutions.

Before long, drivers started helping each other out. An electric plug-sharing network sprouted up on social media.

Ya'ara di Segni: The Facebook group was very active for a while, and we have to this day a Whatsapp group. Somebody says, you know, “I'm driving to so and so, and I'll need a couple of hours charge, who can help?”

Brian Thomas: A couple of times people have shown up at my house, and plugged their car in for a couple of hours, so they can get somewhere they otherwise couldn't have done.

Efi Shahak: I had a project in Beit Shemesh. So to make both way with the electric car, I have to charge the car in Beit Shemesh. One of the Association member, he lived in Beit Shemesh. So I went to his home, I charge the car

in his home, took a cab, go to the customer, go back, and take the car. It was amazing that people voluntarily give other people to charge in their home.

Brian Blum (narration): Another program that Better Place drivers created was dubbed the ‘Pony Express.’

Ya'ara di Segni: Say, I have to drive quite a long distance, I'll drive to your house, I'll leave you my car, charging, I'll take your car, and carry on. And like the concept of the Pony Express, of changing the horses and continuing on.

Efi Shahak: You know, it's amazing, you can't really explain this - that's a bunch of people that bought these cars and said, ‘we are going to continue driving this car, it doesn't matter that there's no company here, no one support us, but we love so much this car.’ So, this way, we, you know, continued driving for the next three years.

Brian Blum (narration): For Efi, Ya'ara and the rest of them, the Better Place dream lives on. But for the people who *worked* at Better Place, there was nowhere left to go.

Shelly Silverstein: It was the highlight of my career and I really felt that we are doing something unique, something historical. It's like almost recreating or rebuilding the Sistine chapel or some kind of world wonder.

Yoav Heichal: There's no week that passes and I don't think about that period of time. I've seen amazing things during those five years. It was like a roller-coaster.

Tal Bar: It was the happiest time of my life, maybe, to actually put these cars on the road and really see this vision that we'd been talking about actually becoming a reality. And still today, whenever I see an electric car, I smile... and then I [*chuckles*] think of, ‘oh, poor guy, he doesn't have battery switch stations,’ and then I'm not so happy.

Brian Blum (narration): Despite the fact that the company didn't exactly end up in the better place people had hoped it would, no one I spoke to - neither car owners nor employees - regretted having taken part in the electric experiment.

Brian Thomas: This is how our society advances. People come up with new ideas and we test them in this marketplace and the good ones succeed (we have iPhones

and then along comes the Androids to push the iPhones forward, and so on). But you've got to have those initial ideas. You've got to have people with boldness and vision to try them. And I think the world is a better place for trying these things.

Brian Blum (narration): Saul Singer, the author of *Start-up Nation*, knows a thing or two about successes and failures in Israel.

Saul Singer: As a country, we're more willing to take risk. We're more willing to be entrepreneurs. We're more willing to fail because we know that without failure, there's no success.

Ya'ara di Segni: Am I still happy I bought the car, knowing everything that happened? Yes! I am, because leaving aside obviously the financial loss and driving myself crazy for years not being able to go places, I believe it is the way of the future and I think it was an amazing thing that was done.

Brian Thomas: Do I regret it? Absolutely not. I know that, if I buy a normal car, it's not going to lead me anywhere interesting, whereas the Better Place car led me to amazing places.

Tal Bar: I wanted to be able to tell my grandchildren, "yes, we started this revolution in Israel." And you know what, I still hope it will happen and I'm sure it will happen.

Mishy Harman (narration): So maybe you remember that at the very beginning of the episode, when I was sitting in the car with Brian and Jody, Jody said that it was a sad day. You might be wondering why. Well, after we'd already finished recording all the interviews for this story, there was one, final, plot twist: A group of about two-hundred-and-fifty holdout Better Place drivers asked Renault, the car manufacturer, to replace their quickly degrading batteries. Renault said no, they didn't have any new batteries to give out. So the drivers sued. And, believe it or not, Renault folded. They offered the drivers a pretty good deal - they'd buy back their cars, for about half the original price.

Brian and Jody knew their battery would soon be completely unusable, and decided to take the deal. And that's how, on a hot day of early summer, I found myself in their electric car, on its final trip, from the Blum's house in the leafy Jerusalem neighborhood of Baka'a to the nearby Talpiot industrial zone. Our destination? The local Renault dealership, where Brian and Jody were going to return their beloved Fluence.

Brian Blum: I feel pretty emotional about it.

Mishy Harman: It's funny, I don't think most people would say that they feel emotional about giving back a car.

Brian Blum: People do not give back cars. They sell their cars. They trade-in their cars.

Mishy Harman (narration): Now lots of us can probably relate to the feeling of being attached to a car. My very first car was a 1973 light blue Volkswagen beetle. It broke down almost every time I drove it, but I just loved it. In fact I loved it so much that it's *still* parked in my grandma's driveway, even though it hasn't moved at all since 2004. So I get it. But this, this was a whole different kind of attachment.

Jody Blum: *[Chuckles]* Should I tell you how sad I am? Because I am. It's a sad day for me. I am going to walk away from here grieving. It was a wonderful idea and it's... yeah. It's leaving me.

Brian Blum: We are actually at this very moment driving onto the Renault lot. This is crazy, people buy and sell cars all the time. This is not a funeral. Why are we so sad?

Jody Blum: It's OK. Good things will come of it.

Mishy Harman: Alright. You ready to turn off the car for the last time?

Brian Blum: *[Sigh]* Here we go. Ready?
[sound of withdrawing key from car]

Mishy Harman (narration): With that anticlimactic click, Brian and Jody got out of their car, walked into the heavily airconditioned showroom, and handed over the keys to an elegantly dressed Renault representative. They signed some forms, drank a cup of water, took some last pictures of themselves in front of their old car, and walked home.

Just last week, Brian told me, they got a new car. A Suzuki Crossover. It runs on gas.

Brian Blum's new book about Better Place is called *'Totaled: The Billion-Dollar Crash of the Startup that Took on Big Auto, Big Oil and the World.'*

It comes out this week, and is available on Amazon, and wherever else you buy your books. We're also going to have a link to it on our site. I've read Brian's book, and it is really really phenomenal. It's full of many many more staggering stories about Better Place than we could include in this episode, and I highly recommend it. For more info, visit brianblum.com, that's b-r-i-a-n-b-l-u-m.com.

We reached out, of course, to Shai Agassi, Better Place's founder and first CEO. He agreed to meet with us, and we chatted for a while, but ultimately he decided not to participate in our story.

And that's our episode. You can hear all our previous episodes on our site, israelstory.org, or by searching for Israel Story on iTunes, and any of the other main podcast platforms. Don't forget, if you can, to rate us, and write a review on iTunes. Apparently, that really helps us reach new listeners. You can also follow us on Facebook, Twitter, Instagram, all under Israel Story. And, if you too would like to sponsor episodes of Israel Story, it's easy – just email us at sponsor@prx.org.

Also, I have some great news: We're coming back to the States in January 2018, with one of our favorite live shows - "Roomies: Stories of Living Together." So if you want us to come perform in your city, town or community, email us at livetour@israelstory.org for more details.

The music in today's episode featured original tracks composed and performed by the bard from Be'er Sheva, David Peretz. The episode was edited by Julie Subrin and mixed by Sela Waisblum.

Thanks to Rachel Fisher, Dima Perevozchikov, Eve Sneider and Kate Bolger for her wise legal advice.

Israel Story is brought to you by PRX - the Public Radio Exchange, and is produced in partnership with Tablet Magazine. Our staff includes Shai Satran, Roe Gilron, Yochai Maital, Maya Kosover, Zev Levi and Aviva Dekornfeld. This is actually Aviva's very last episode with us, and we'll miss her a lot. But don't worry, you'll get to hear her voice later on in the season.

I'm Mishy Harman, and we'll be back very soon with a brand new - and hopefully delicious - Israel Story episode. So till then, *yalla bye*.

[song]

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