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## **Press Release**

**Israel Electric Corporation is to submit to the Ministry of Communications a request for license, that would enable it to provide transmission services, optic access network (FTTH), and mobile access network (RAN) to license owners, with a commitment to provide the service to all licensees without discrimination**

Minister of Communications Moshe Kahalon:

"To encourage competition in the area of infrastructures, I have decided to approve two pilot projects for the Electric Corporation:

The first one will be the connection of optic fibers in Kiryat Shemona, which will provide 100 symmetric mega (FTTH); the second one will be the building of a cellular infrastructure for a cellular operator, including the connection of transmission to the operator's switch

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Minister of Communications Moshe Kahalon has recently raised the idea of using resources that are already available for state usage, for the benefit of all citizens.

Accordingly, the Minister and Ministry senior staff members have visited Electric Corporation's facilities today (Dec. 15) and met with the company's management. The management, headed by Mr. Amos Lasker, introduced to the Minister the company's infrastructures, and the sides discussed prospects for the entry of the Electric Corporation to the telecom sector so as to increase competition in the market.

The Minister arrived in order to check the applicability of the option for extending the usage of the company's infrastructures to telecom services as well.

In accordance with the Minister's policy of acting to increase competition, the Electric Corporation intends to submit to the Ministry a request for a license that would enable the usage of the company's infrastructures in a way that would boost the competition and the modernization of the telecom sector's infrastructures, by providing services to other licensed operators. The Electric Corporation has announced that it is ready to start service provision within 12

months from the date it receives the license and an approval from the Minister of National Infrastructures.

Mr. Amos Lasker said during the meeting, that ever since his appointment as Electric Corporation's CEO, he has been a firm believer in the idea that, for the sake of the Israeli market, the company has to expand its activities to other fields, and telecom especially. "The Electric Corporation has a wide deployment of optic fibers that can be used, for the benefit of the general economy in Israel, to develop and expand the telecom sector, so as to give more private companies the opportunity to enter this market", said Lasker.

The company has committed to provide services indiscriminately to all operators, under a free access regime, while ensuring network neutrality.

The primary services the Electric Corporation requests to provide are:

- **Advanced IP-based transmission services** using the company's existing optic fiber network which is widely deployed across the country;
- **Cellular network Infrastructure (base stations and transmission).** Building a cellular network for a new cellular entrant, using Electric Corporation's existing poles, is perhaps the only way to deploy a large amount of base stations within a short time. The Electric Corporation has agreed to offer the building and operation of a wireless access network (RAN) for all participants in the Ministry of Communication's cellular tender;
- **Optic fiber to the home (FTTH),** using existing optic fibers reaching the electric network's transformation stations (every such station serving hundreds of households).

The issue of establishing a subsidiary of the Electric Corporation that would provide the above services, is currently discussed between the Electric Corporation and the Ministry of National Infrastructures, and will be brought for the Government's approval.

**Dr. Yechiel Shabi**

**Spokesman**

**050-6236001**