

PRESS RELEASE

Ministry of Communications publishes a secondary hearing relating to the 1-800 toll-free number

The call will be **free of charge** for calling party making the call from a mobile network. The receiving party will pay a significantly reduced tariff compared to the arrangement examined in the first hearing.

Minister Attias: "1-800 is perceived by the public as a toll-free call for the calling party, hence it would only be appropriate to see that this is implemented on cellular telephony as well. It is my duty to guarantee that consumers are not harmed on one hand, and that businesses pay a decent tariff on the other hand. The policy must be maintained: transparency for consumers, support for small businesses".

In July 2007, Ministry of Communications issued a first hearing for the cellular and fixed domestic operators on the issue of the toll-free number 1-800 or 1-801. The purpose of the hearing was to examine and implement a new arrangement concerning this service, that would suit a multi-operator environment, to create tariff transparency and to prevent mistakes on behalf of the public with relation to the toll-free number.

Under the previous regulation, whoever called this number from a cellular network was charged up to 22 agorot according to their tariff plan, while the receiver of the call was charged 22 agorot that was transferred to the cellular company, so that the company got up to 44 agorot for that call.

On the first hearing it was decided that the calls would be free of charge for the calling party to and from any network, regardless of whether the call initiator is a fixed line subscriber or a cellular subscriber, while the receiving party would be charged 44 agorot that would be transferred to the cellular company.

Recently it was decided to re-examine the pricing of 1-800 calls from cellular to fixed networks, while observing the principle of not charging the calling party. It was then found, that the average income of the cellular companies, for a cellular network segment, for every call that is initiated on the cellular network and terminates on the fixed network, is 26.8 agorot per minute (not including VAT). Therefore, the ministry now considers the option that the 1-800 service operator will be charged 26.8 agorot per minute (not including VAT) for the cellular segment of calls to a 1-800 number in a fixed network, instead of 44 agorot.

Additionally, it considered that Bezeq will be allowed to charge the 1-800 service operator, for the Bezeq segment of 1-800 calls originated on a cellular network (and terminated on the Bezeq network), a 5.48 agorot-per-minute tariff (same as the tariff

set for the fixed segment of regular calls originated on the Bezeq network and terminated on a cellular network).

The Ministry of Communications has decided to let the companies submit their positions by December 10, 2008, before it arrives at a final decision on this issue.