



State of Israel

Ministry of Communications

**Response to Second Phase Public Consultation**

**Proposal for a Regulation (EC) of the European Parliament and of the Council on  
Mobile Roaming Services in the Single Market**

May 11, 2006

The Israel Ministry of Communications is pleased to contribute its viewpoint on the issue of International Roaming charges, in response to the European Commission's call for public comment on the matter.

On the basis of their Association Agreement, Israel and the EU enjoy a special relationship, because of which we believe that Israel can contribute to the current regulatory process, in a way which will result in wider international cooperation on international roaming issues.

As stated in the consultation document, high international roaming charges represent a problem that cannot be adequately addressed by national regulatory bodies, owing to the international nature of the problem. While the Israeli market offers a wide variety of services aimed at Israelis traveling abroad, as well as visitors to Israel (like local SIM cards, payphones etc.), none offers a service that is fully substitutable for roaming.

The Israeli regulator is currently engaged in a long, ongoing process, meant to lower roaming tariffs, to make them more transparent, and to cause roaming charges to more accurately reflect the costs of the service. Despite the best efforts of the local regulator, no adequate solution to the problem has been found, owing mainly to the high costs of wholesale international roaming, mentioned by the commission in the consultation document. This experience proves that only collaboration between national regulatory bodies will be able to achieve the objectives desired.

The European Commission approach to the proposed regulation involves only the regulation of services offered by a carrier in one member state to a carrier in another member state, and therefore ultimately only to consumers who are residents of an EU country, and who are temporarily in different EU country. This approach excludes both EU nationals who are temporarily in non-EU countries, as well as non-EU nationals who find themselves within the EU.

Obviously the Commission viewpoint is based on its inability to mandate its regulations in non-EU countries. However, owing to the importance of the matter and the reciprocity of such services, **we suggest that in this case the Commission adopt an "opt-in" approach**

**in preparing its proposal in order to facilitate adoption of the EU standard by operators in non-EU states.**

**Specifically, we propose that operators in non-EU countries who commit to adopting the Commission's "home pricing" approach for customer of European networks roaming on their networks (by offering appropriate wholesale tariffs to European operators) will, in turn, be offered tariffs by European operators which will allow them to offer their customers roaming in Europe "home pricing" as well. Operators who choose to opt-in to the Commission's regulatory scheme should commit both to offer appropriate wholesale tariffs and to abide by the Commission's retail pricing model (including abolishing charges for receiving calls while abroad).**

This proposed course of action will only benefit all concerned by increasing the area in which reciprocity is offered and will not in any way adversely affect the proposed regulatory framework inside the EU. Indeed, European consumers will be able to roam to a wider number of countries and be assured that their rates will not exceed those at home, and customers of non-EU operators who will participate in the arrangement will be able to do likewise.

We believe that such an approach would contribute materially to the harmonization of regulation in the MEDA region and the EU, in an especially relevant sphere.

We would be happy to elaborate on our proposal at your request, and to continue our dialogue with the European Union on this matter, as well as any other matters of mutual interest.

Sincerely,

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