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**SIGNAL STRENGTH: OCCUPIED  
THE TELECOMMUNICATIONS SECTOR  
AND THE ISRAELI OCCUPATION**

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## Introduction

Communications technology is often associated with a high degree of mobility and relative freedom from territorial constraints. However, under Israel's prolonged occupation of Palestinian and Syrian land, the sphere of telecommunications has become a privatized site of control and a corporate instrument of territorial expansion.

As this flash report demonstrates, all major Israeli telecommunications providers are commercially involved in the Israeli occupation. These companies build infrastructure and maintain property and equipment in illegal Israeli settlements, often on privately owned Palestinian land. They all provide services to the Israeli military and to all Israeli settlers, and some provide specially designed services. Moreover, they use the Israeli control of the occupied Palestinian territory to impose their services on the Palestinian captive market, capitalizing on the structural vulnerability of a de-developed and dependent Palestinian telecommunications network.

This flash-report examines four central dimensions of telecommunications under occupation: the de-development of the Palestinian telecommunications sector under the framework of the Oslo Accords and by means of military violence; telecommunications as a space of mass surveillance for the Israeli security apparatus; the exploitation of the Palestinian captive cellular market; and the role of Israeli cellular infrastructure in the expansion of the illegal settlement enterprise.

Finally, Who Profits provides an overview of the main Israeli and international telecommunications corporations complicit in the occupation. Prior to publication, Who Profits contacted all companies profiled in this flash-report. To date, no responses were received.

## Separate and Unequal: The Occupied Structure of Palestinian Telecommunications

Israeli-occupied Palestinian infrastructure is characterized by forced integration into Israeli systems alongside dependency on and segregation from said systems.

Previous research by Who Profits detailed the ways in which these elements converge in the electricity sector to create a subservient Palestinian electric network that is the site of chronic structural violence.<sup>1</sup> In the case of electricity, integration into the Israeli national grid was top-down, far-reaching and ethnically segregated, resulting in a Palestinian system that is both wholly dependent on its Israeli counterpart and inferior to it. This dependency was geographically anchored in the strategic placement of electricity substations and meters out of Palestinian reach, either in key settlements or within the Green Line, which in turn has meant that the system itself can be (and routinely is) weaponized by Israel to mete out collective punishment against Palestinians.<sup>2</sup>

The same holds true in the case of Palestinian telecommunications infrastructure. Palestinian internet and landline and mobile telephony are "forced to be segregated from yet dependent on Israeli networks."<sup>3</sup> As will be detailed below, this dependency is built into the physical infrastruc-

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1 ["Greenwashing the Occupation: The Solar Energy Industry and the Israeli Occupation"](#) Who Profits, [whoprofits.org](http://whoprofits.org), January 2017

2 Jabary Salamanca, Omar, "Hooked on electricity: the charged political economy of electrification in the Palestinian West Bank". Working paper (February 2014) presented in the symposium "Political Economy and Economy of the Political" at Brown University

3 Tawil-Souri, Helga, "Digital Occupation: Gaza's High-Tech Enclosure" *Journal of Palestine Studies* Vol. XLI, No. 2 (Winter 2012), pp. 27–43.

ture of the Palestinian communication network and crafted into the economic protocols annexed to the Oslo Accords. It is continually enforced through Israeli restrictive import policies and tight control over bandwidth and spectrum allocations, and intensified through military violence. Finally, the occupation of the Palestinian telecommunications structure yields tremendous profits for Israeli and international corporations, with corresponding losses to Palestinian companies and to the Palestinian GDP that are no less massive.

### **Codifying Dependency: Telecommunications under the Oslo Framework**

The terms of Israel's control, though long present on the ground, were reorganized and codified in the Oslo Accords and the economic protocols annexed to them. Specifically, the sphere of telecommunications was addressed in Article 36 of Annex III of the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip ("Oslo II" — 28.9.1995).

Prior to Oslo, telecommunications in the oPt was under full and direct Israeli control, administered first by the Israeli Ministry of Communication (IMoC) and later by its state-owned telephony corporation Bezeq,<sup>4</sup> which were slow to service Palestinians, so much so that when control was formally handed over to the Palestinian Authority in 1995, only a little over 2% of all Palestinian households had fixed telephone lines, compared with almost 30% of Israeli households.<sup>5</sup> The use of mobile phones was restricted under military orders, as was the use of landline telephony for fax or email communication.<sup>6</sup>

Under Oslo II, Israel formally recognized the Palestinian side had "the right to build and operate

separate and independent communication systems and infrastructures" and establish its own telecommunication policies, and agreed to "refrain from any action that interferes" with Palestinian communication systems. This recognition, however, was severely undermined by Israel's veto power in the Joint Technical Committee (JTC).<sup>7</sup> Article 36 specified that *all* telecommunication infrastructure, equipment and installation work in Area C (which represents 59% of West Bank land) required prior Israeli approval, and that the allocation of radio frequencies had to be "agreed upon by Israel in the JTC."<sup>8</sup> Needless to say, Israel has systematically abused its power in order to impede and stunt the development of the Palestinian telecommunications sector.

Oslo cemented the dependency on private Israeli providers and the Israeli Ministry of Communication, which persists to this day. Continued Israeli constraints on the bandwidth of microwave links mean that Paltel - The Palestine Telecommunication Company (hereinafter: Paltel) is forced to route all calls between the West Bank and Gaza, and many intra-Gaza and West Bank calls, through Israeli providers, who collect a percentage surcharge on all interconnection revenues from calls between Palestinian landlines and cellular phones as well as calls between cellular phones of Palestinian operators and Israeli operators. Moreover, Israel does not allow Paltel to have its own international gateway, requiring that Palestinian operators go through an Israeli-registered company to access international links.<sup>9</sup> Israeli telecommunication corporations

4 Bezeq was privatized in 2005.

5 Tawil-Souri 2012

6 Israeli military orders no. 951:1983 and no. 1279: 1989, *idf.il*.

7 The JTC is a bilateral technical platform tasked with key regulatory coordination between the PA and Israel. A 2016 report by the World Bank noted that "the JTC has only met a few times since 2000 and remains dysfunctional."

8 Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, Annex III, Article 36, C(1)

9 "The Telecommunication Sector in the



*Paltel's main switch in North Gaza demolished on the first day of Israel's military assault | January 2009 | Photo: Paltel Group, Gaza Directorate*

are thus able to collect termination fees for both domestic and international calls.<sup>10</sup>

### **De-Development by Military Violence**

The structural impediments to Palestinian development presented above allow for little more than the semblance of a functioning, autonomous Palestinian communications network. Yet even this semblance is routinely subjected to Israeli military attacks, complementing systemic policies of de-development with concrete physical devastation.

In recent years, large-scale Israeli military assaults on the besieged Gaza Strip (2008-9, 2012 and 2014) have claimed the lives of thousands and caused massive destruction. Telecommunication equipment and infrastructures were severely hit

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Palestinian Territories: A Missed Opportunity for Economic Development” The World Bank Group, January 2016

10 Tawil-Souri 2012

each time, revealing the ease with which the Israeli occupying power can incapacitate the Palestinian network.

For example, during the 2008-9 Israeli military assault on Gaza, Paltel reported total losses of an estimated 13.2 million USD.<sup>11</sup> Its main switch in North Gaza was completely demolished on the first day of the assault, the MSAN (Multi-Service Access Node) in Al-Atatra neighborhood was likewise destroyed, the fiber optic cable that connect Gaza to the outside world was damaged at multiple locations and the outside network (such as aerial cables and distribution boxes) suffered extensive damage. Buildings and warehouses were damaged or destroyed by Israeli aerial strikes, as

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11 “Losses and Damage Report of Paltel Group Infrastructure: Full losses and Damage report of Paltel Group’s companies in Gaza strip due to Israeli war from Dec 27, 2008 to Jan 18, 2009” *Paltel Group, Gaza Directorate*, 25 January 2009. On file with Who Profits.

was the network of its cellular subsidiary Jawwal, with at least eight of Jawwal's green field sites affected. Additionally, Paltel and Jawwal incurred revenue loss from decreased traffic, damaged homes, disconnected phone lines and disconnected services.<sup>12</sup>

In 2014, Paltel's total loss as a result of the war on Gaza was estimated at 32.6 million USD, including 10 million USD in damages to the network and 14.8 million USD in revenue loss,<sup>13</sup> and at least 80% of its infrastructure was damaged by the Israeli attacks.<sup>14</sup> The Israeli military's own assessment of the impact of Israeli attacks on Gaza's communication infrastructure further reveals the depth and scope of Israeli control, specifically the forced reliance on Israeli fuel imports to power the network. The Israeli military noted that "Communications networks in the Gaza Strip before and during the 2014 Gaza Conflict were powered by generators for which Israel facilitated the entry of fuel" and that it "allowed" the entry of "15 truckloads of communications equipment into the Gaza Strip for Jawwal and Paltel."<sup>15</sup> Repairs to the fiber optic cable by Paltel personnel likewise required Israeli military approval.

## Telecommunications as a Site of Surveillance and Control

In a propaganda piece published on its official website on 16 July 2014, the Israeli military boasted that, "As part of its efforts to minimize civil-



*Bezeq at Jubara Checkpoint, Occupied West Bank | November 2008 | Photographed by Who Profits*

ian casualties in Gaza," it "makes phone calls and sends text messages to civilians residing in buildings designated for attack."<sup>16</sup> Setting aside the attempt to portray what is essentially a tactic of psychological warfare as benevolent and humane, this practice vividly illustrates the ease with which the Israeli state apparatus can penetrate the Palestinian network and subvert it. Describing the use of these 'technologies of warning' during the 2009 military assault on Gaza, one critic notes:

"Sometimes telephones that had been disconnected for months because the bill had not been paid are activated in order to make such a call. [...] Virtually all mobile-phone subscribers in Gaza also received a number of SMS messages from the Israeli military on their cellphones: "every person with weapons, ammunition or a hidden tunnel in his house should leave it immediately."<sup>17</sup>

Through its control over radio frequencies, the Israeli army is able to hack into, disrupt and cut off radio broadcasts, an ability also evidenced in the

12 Ibid.

13 ["Palestine Telecommunications \(PALTEL\): Earnings Report FY2014 February 25, 2015"](#) Sahem Insight, Sahem Trading and Investments Co., *sahem-inv.com*. Accessed 23 June 2018.

14 Khbissa, Mohamed, ["Gaza: 80% du réseau de communication détruits par les attaques israéliennes"](#) Agence Anadolu, *aa.com.tr*, 30 July 2014, accessed 24 June 2018

15 ["The 2014 Gaza Conflict: Factual and Legal Aspects"](#) *pmo.gov.il*, May 2015, accessed 24 June 2018

16 ["How is the IDF Minimizing Harm to Civilians in Gaza?"](#) *idf.il*, 16 July 2014, accessed 25 June 2018

17 Weizman, Eyal, ["Legislative Attack"](#) *open-democracy.net*, 1 March 2009, accessed 25 June 2018

targeting of a Palestinian broadcast tower as part of the 2014 assault on Gaza.<sup>18</sup> The dependence of Palestinian infrastructure on the Israeli backbone for all internet, landline and cellular activity thus endows the occupying power with massive surveillance abilities, abilities that can be used not only to circulate propaganda, but also to spy on the occupied population. These practices are not limited to moments of extraordinary violence, and the telecommunications sphere functions as a site of everyday control:

“On any ‘normal’ day, a Gazan’s phone call is routed through Israel, his signals are jammed whenever a drone passes overhead (sometimes as often as every fifteen minutes), his phone service may be shut down or tapped, and his Internet connection surveilled. And for these interruptions and intrusions the Gazan user must pay nearly twice as much as his Israeli counterpart.”<sup>19</sup>

Palestinian cyber space, in particular social media space, has also become increasingly surveilled, with tweets and Facebook posts serving as pretext for arrests by Israeli forces on both sides of the Green Line. Corporations such as Facebook, Twitter and YouTube have enabled the Israeli security apparatus to monitor and remove Palestinian content, and their cooperation has been instrumental to Israeli surveillance of Palestinian cyberspace.<sup>20</sup>

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18 [“Hands on the Switch: Who’s Responsible for Gaza’s Infrastructure Crisis?”](#) Gisha – Legal Center for Freedom of Movement, *gisha.org*, January 2017, accessed 24 June 2018

19 Tawil-Souri 2012

20 AbuShanab, Anan, [“Hashtag Palestine 2017: Palestinian Digital Activism Report”](#) Tamleh-The Arab Center for Advancement of Social Media, *Tamleh.org*, March 2018, accessed July 24, 2018; [“Facebook and Israel to work to monitor posts that incite violence”](#) Associated Press in Jerusalem, *theguardian.com*, 12 September

## A Captive Market for Israeli Cellular Providers

The aggressive de-development of the Palestinian telecommunications sector has created a captive Palestinian market for private Israeli corporations, a market whose immensely lucrative exploitation provides continual economic incentive to maintain the relations of dependency between occupied and occupying industry.

Although the commercial activity of Israeli cellular providers in the Palestinian market is in breach of Article 36 of Oslo II, of Palestinian telecommunications law and of IMoC regulations, it has continued unabated, capitalizing on the structural vulnerabilities of the Palestinian cellular industry, including the inability to offer 4G (and until recently 3G) capabilities and comprehensive cellular coverage, and making no contributions to the Palestinian economy.

On 24 January 2018, Palestinian cellular providers Jawwal and Wataniya Mobile<sup>21</sup> launched 3G network services in the occupied West Bank. The introduction of 3G technology by Palestinian mobile operators, which has yet to be extended to the besieged Gaza Strip, came about more than a decade after the initial request was made by Jawwal (3G has been available to Israeli providers since 2004). Even conservative commentators like the World Bank note that the belated launch of 3G “can hardly be celebrated as a success” as Israeli providers, in possession of 4G capabilities since 2015, will retain their competitive advantage.<sup>22</sup> At a time

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2016.

21 Jawwal is a wholly owned subsidiary of the publicly traded Paltel Group (PSE:PALTEL). Wataniya Mobile Palestine is a publicly traded company (PSE:WATANIYA) that is part of the Qatar-based Ooredoo Group. Its largest shareholders are Wataniya International (48.45%) and Palestine Investment Fund (34.03%).

22 World Bank 2016, p. 29



Cellular antennas at Elkana settlement, Occupied West Bank | May 2011 | Photographed by Who Profits

when the global cellular market is moving toward 5G technology, Palestinian operators will continue to suffer an occupation-induced technological lag.

Moreover, as the Israeli regime severely restricts the deployment and maintenance of Palestinian telecommunications infrastructure in Area C, it is virtually impossible for Palestinian companies to provide cellular coverage in many areas of the West Bank. The restrictions on the import of equipment likewise create difficulties that affect the quality and cost of services provided. Palestinian firms are required to undergo a cumbersome bureaucratic process to obtain approval from the IMoC for each shipment of equipment.<sup>23</sup> Unlike their Israeli counterparts, they are restricted by the Israeli dual-use list, which contains a blanket definition of “communications equipment” or “communications support equipment.”<sup>24</sup> Even when the Israeli authorities do allow equipment into the Palestinian territory - it is often delayed by months or years, and by the time it arrives to the Palestinian providers it is outdated.

In light of these impediments, it is hardly surpris-

23 Arafah, Nur, Bahour, Sam and Abdullah, Wassim F., “[ICT: The Shackled Engine of Palestine’s Development](#)” Al-Shabaka, *al-shabaka.org*, 9 November 2015

24 Gisha 2017

ing that Israeli operators capture an estimated 20% to 40% of the Palestinian telecommunications market.<sup>25</sup> As Israeli cellular networks follow the broader settler topography that favors hilltops and remote outposts, and enjoy stronger signals than Palestinian ones, they penetrate deep into the West Bank.<sup>26</sup> With over 600 active Israeli cellular antennas on occupied Palestinian land,<sup>27</sup> erected and maintained for the benefit of an illegal settler population and an occupying army, Israeli providers are able to offer extensive cellular coverage, covering by their own estimate at least 91% of Area C, and by Jawwal’s estimate up to 80% of the oPt.

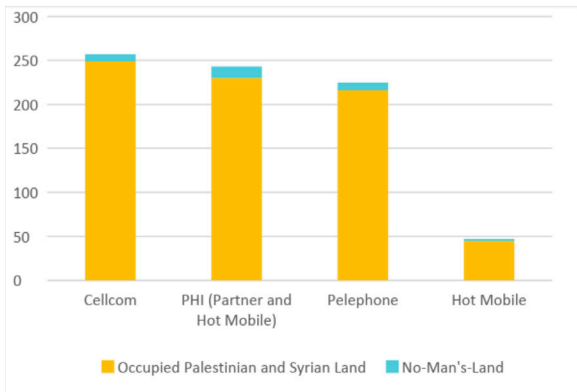
In some cases, the location and reach of tower installations suggest Israeli operators have deployed infrastructure to cover well in excess of a particular settlement and have made no attempt to limit signal strength.<sup>28</sup> Moreover, as many settlements have exceedingly small populations, it is unclear

25 Al-Shabaka 2015

26 Tawil-Souri, “Cellular Borders: Dis/Connecting Phone Calls in Israel-Palestine” in *Signal Traffic: Critical Studies of Media Infrastructures*, University of Illinois Press, 2015

27 Note that this figure does not include cellular sites in the occupied Syrian Golan. Source is on file with Who Profits.

28 World Bank 2016



Cellular antennas on occupied Palestinian and Syrian land, March 2018

whether servicing them “would be profitable at all without the simultaneous capture of the Palestinian market.”<sup>29</sup> Put differently, access to the Palestinian captive market is effectively subsidizing the installation and maintenance of telecommunications infrastructure in settlements.

Not only do Israeli cellular companies generate significant profits from Palestinian users, but they in no way contribute to the Palestinian economy. As their activities are unauthorized, they do not pay licensing fees or taxes to the Palestinian Authority.<sup>30</sup> The World Bank estimated that in the period of 2013 to 2015, Value Added Tax (VAT) fiscal loss for the Palestinian Authority was between 70 and 184 million USD, representing up to 3.0% of the GDP. Revenue loss for Palestinian mobile operators directly attributable to the absence of 3G was between 339 and 742 million USD for the same period.<sup>31</sup>

29 Junkia-Aikio, Laura, “Late Modern Subjects of Colonial Occupation Mobile phones and the rise of Neoliberalism in Palestine” *New Formations* (75), Winter 2011, p. 104

30 In its response to the World Bank, the IMOC argued that if the PA were to tax the activities of Israeli operators in the West Bank, an issue of double taxation would arise. The Israeli operators alleged that the sale of Israeli pre-paid cards is an issue the PA has the power to address internally. See World Bank 2016.

31 World Bank 2016

## Mobile Telephony and the Settlement Enterprise

Mobile telephony, though its name and popular image suggest otherwise, is bound by fixed infrastructure that is anything but mobile. In order to function, cellular communication relies on base station antennas, physical installations that cover a limited range, also known as “cells”. To ensure continuous coverage across large swathes of land, operators deploy thousands of overlapping cells.<sup>32</sup>

Under Israeli cellular licensing requirements, mobile companies must cover a minimum of 92% of the country’s service area; in Area C of the West Bank, the minimum requirement is 91%. That all Israeli operators meet this requirement<sup>33</sup> speaks volumes to the scale and ubiquity of their presence on occupied land.

In 2016, the Israeli telecommunications sector generated revenues of over 20 billion NIS, with mobile telephony accounting for 42%.<sup>34</sup> There are at present five major mobile network operators in Israel that offer comprehensive cellular communication service: Pelephone, Cellcom, Partner, Hot Mobile and Golan Telecom<sup>35</sup>. Additionally, three mobile

32 [“how does a mobile network work?”](#) *radio-waves.orange.com*, accessed 8 July 2018

33 [“20th Knesset Committee meeting from 9.5.2017: Sub-Committee Judea and Samaria Cellular Coverage”](#) Open Knesset, oknesset.org, accessed 24 June 2018

34 [“Regarding: Correction to income communications sector 2016”](#) Ministry of Communications, Economic Division, *gov.il*, 24 September 2017, accessed 24 June 2018

35 Pelephone Communications is a wholly owned subsidiary of Bezeq; Hot Mobile, formerly MIRS Communications, is a wholly owned subsidiary of Altice N.V. Golan Telecom relies on Cellcom infrastructure in accordance with an agreement signed between the companies in 2016. In 2013, Partner and Hot Mobile entered into a 15-year network sharing agreement and operate a joint network (PHI).





*Cellular antennas at Halamish settlement, Occupied West Bank | April 2009 | Photographed by Who Profits*

virtual network operators, Rami Levy Communications, 019 Telzar and Cellact, offer mobile services using Pelephone and Partner infrastructure.<sup>36</sup>

All major Israeli mobile operators are commercially involved in the Israeli settlement enterprise, providing services to Israeli settlements and to the Israeli military, constructing and maintaining infrastructure and equipment on occupied Palestinian and Syrian land, and contributing to the economy of the settlements through the payment of rental and land use fees to the Israeli Civil Administration (ICA) and to settlement councils.

All five cellular providers have hundreds of antennas, transmission stations and additional infrastructure erected on occupied land. As of March 2018, there were 740 active Israeli civilian cellular sites located on occupied Palestinian and Syrian land, and an additional 32 sites located in no-man’s-land areas. Twenty-two new sites were approved in 2017-2018 and are presently under construction.<sup>37</sup>

Israeli cellular infrastructure in the West Bank,

36 019 Telzar [uses](#) the Partner network, while Rami Levy and Cellact [both use](#) the Pelephone network.

37 The source for the information is on file with Who Profits.

East Jerusalem and the Syrian Golan forms an integral part of the Israeli settlement enterprise. Cellular sites take up occupied land, in several cases privately owned, for the provision of services aimed exclusively for the benefit of an illegal settler population. Moreover, cellular companies contribute financially to the settlement economy, making their activity part of the “non-physical structures and processes that constitute, enable and support the establishment, expansion and maintenance of Israeli residential communities beyond the Green Line of 1949 in the Occupied Palestinian Territory.”<sup>38</sup>

For their use of occupied land, Israeli cellular companies enter rental agreements with settlement councils and make monthly payments. The sums typically range from 4,000 to 6,000 NIS per month, but according to the companies themselves, settlement councils charge especially high fees.<sup>39</sup> There have also been documented cases of settlement councils receiving monthly payments for communication infrastructure located on private Palestinian land outside their jurisdiction. In this way, cellular operators pour millions of shekels annually into the settlement enterprise.<sup>40</sup>

Significantly, there have been instances in which

38 [“Statement on the Implications of the Guiding Principles on Business and Human Rights in the Context of Israeli Settlements in the Occupied Palestinian Territory”](#) UN Office of the High Commissioner for Human Rights, *ohchr.org*, 6 June 2014, p. 1 (footnote 2).

39 [“Residents of Judea and Samaria are on the fringes of cellphone coverage: We are thinking about transferring to the Palestinian cellphone company”](#) main.knesset.gov.il, 29 October 2013, accessed 24 June 2018

40 Hass, Amira, [“Israeli Cell Companies Paying West Bank Settlement for Use of Private Palestinian Land”](#) Haaretz, *haaretz.com*, 16 July 2013. Responding to these allegations, the cellular companies have cited the “military necessity” of their installations and the high costs associated with their construction.

cellular infrastructure has also paved the way to further settlement expansion.<sup>41</sup> In 2000, Pelephone Communications illegally built a transmission tower on a hill east of Ramallah and pressured the Israeli government to connect it to the national electricity grid. Once connected, settlers hooked up caravans to the network and established the Migron settlement. Though Migron was evacuated in 2012 (to another illegal settlement), the Israeli High Court of Justice ruled in July 2015 that the evacuation order did not apply to the cellular installations, despite the fact that they were built without permits and demolition orders were issued against three of them.<sup>42</sup>

While the Israeli military has its own extensive separate telecommunications network throughout the oPt, and by its own admission need not rely on civilian networks, Israeli law permits the cellular infrastructure of the settlements to be appropriated by the military. The Israeli Equipment Registration and IDF Mobilization Law – 1987 permits the state to take cellular operators’ facilities, networks and equipment for the use of the army for reasons of ‘national security.’ The Communications Law further grants the Israeli Prime Minister the authority to order companies to provide services to state security forces.

## Corporate Complicity

As the Israeli telecommunications sector is fully privatized, it is for-profit Israeli and international corporations that carry out the colonization of Palestinian digital space and that reap the profits. In the following section, Who Profits provides an overview of the main corporate actors in the

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41      Sasson, Talia, “[An \(interim\) opinion on the subject of unauthorized outposts](#)” *pmo.gov.il*, 8 March 2005.

42      “[Israeli High Court of Justice Pelephone Communications and others against the Minister of Defense and others 3905/14](#)” *psakdin.co.il*, 22 July 2015.

field of telecommunications: Altice (parent company of Hot Telecommunication Systems and Hot Mobile), Bezeq – the Israeli Telecommunications Corp (parent company of Pelephone Communications), Cellcom Israel and Partner Communications.<sup>43</sup> Prior to publication, Who Profits contacted all the above companies and requested their comment on the information presented below. Altice and Partner were contacted in 2018 and Bezeq and Cellcom in 2017. To date, no responses were received.

### **Altice**

**Profile:** A publicly traded multinational broadband and mobile communications group headquartered in Amsterdam. Through its Israeli telecommunications subsidiaries, the company is deeply complicit in the Israeli occupation industry.

Hot Telecommunications Systems, a publicly traded wholly owned subsidiary of Altice, holds a special permit from the Israeli Civil Administration (ICA) for the provision of cable television and telecommunication services to Israeli settlements in the occupied Palestinian territory. The license is valid through November 2023.

As of March 2018, Hot Mobile, another fully owned Israeli subsidiary, has 288 active cellular antennas and telecommunication infrastructure facilities in the occupied West Bank, East Jerusalem and Syrian Golan, out of which 243 are part of its joint network with Partner Communications. The company has an additional 15 antennas in no-man’s-land areas and another antenna in the Erez checkpoint near Gaza. Some of this infrastructure is located on private Palestinian land. For its license to operate in Area C of the occupied West Bank, Hot

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43      The sources for the information included are on file with Who Profits.

Mobile has provided the ICA with a bank guarantee of 4 million NIS valid through December 2022. Hot Mobile also pays rental fees to Israeli settlements.

Additionally, Hot and Hot Mobile operate multiple sales and customer service centers in the settlements of Ma'ale Adumim and Kiryat Arba in the occupied West Bank and the settlement neighborhood of Pisgat Ze'ev in occupied East Jerusalem. Hot Mobile also won a tender to supply cellular devices to municipal employees in the settlement of Maale Adumim in the occupied West Bank.

Additionally, the company enjoys the structural advantages of Israeli cellular services providers over Palestinian competitors in the Palestinian market. Hot Mobile operates four sales and customer service centers in Palestinian neighborhoods in occupied East Jerusalem, an area that is off limits for the Palestinian cellular companies and therefore constitutes a captive market.

Hot Mobile operated the communication network installed in the Jerusalem light rail's motor coaches. The train connects settlement neighborhoods in occupied East Jerusalem with the western part of the city. Between 2005 and 2011, Hot Mobile was the exclusive provider of cellular phone services to the Israeli army; this included the infrastructure set for use throughout the occupied Palestinian territory. There are reports of the company having at least 200 antennas set inside military bases of the Israeli army. Who Profits was able to confirm that the company holds four cellular antennas in military checkpoints across the occupied West Bank.

Hot Mobile also provided communication services to Israel Police and the Israeli Population and Immigration Authority.

**Ownership:** The company is ultimately controlled by Patrick Drahi through his holdings in Next Alt S.à r.l., which holds 60.31% of Altice's share capital.

Additional shareholders include EuroPacific Growth Fund (5.17%), The Goldman Sachs Group Inc. (3.04%), FMR LLC (2.91%) and Carmignac Gestion S.A. (0.61%).

**CEO:** Alain Weill

**Revenues:** 23,499.8 million EUR in 2017

**Traded in:** Euronext Amsterdam under the ticker symbols ATC and ATCB.

**Subsidiaries:** The company has dozens of subsidiaries worldwide.

Wholly owned Israeli subsidiaries: Cool Holdings Limited S.A., H. Hadaros 2012 Ltd, Hot Eidan Israel Cable System 1987 Ltd, Hot Mobile Ltd, Hot Net Internet Services Ltd, Hot Telecom Ltd, Hot Telecom Ltd Partnership, Hot Telecommunications Systems Ltd, Isracable Ltd, Middle East News Ltd, South Sharon Communications (1990) Ltd

Partially owned Israeli subsidiaries: PHI (50%) Princeton Video Image Israel, Ltd. (70.2%) TAT S.à r.l (26.0%), Zira Ltd. (20%)

**Partners:** The company has partnerships with Netflix, NBCUniversal and Discovery Communications and operates i24news through its subsidiary Altice Media Group.

Altice's largest clients include Orange, Bouygues Telecom, Free Mobile, Vodafone, NOS and Verizon.

**Global presence:** France, Portugal, USA, Israel, Dominican Republic, Guadeloupe, Martinique, French Guiana, La Réunion, Mayotte

**Head office:** Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands

**Website:** [www.altice.net](http://www.altice.net)

## **Cellcom Israel**

**Profile:** The largest Israeli provider of cellular phone services. The company is publicly traded on both the New York Stock Exchange (NYSE:CEL) and the Tel Aviv Stock Exchange (TASE:CEL).

As of March 2018, the company has approximately 249 active antennas and telecommunication infrastructure facilities on occupied land in the West Bank (including East Jerusalem) and Syrian Golan. Cellcom's network is also used by Golan Telcom in accordance with a network sharing agreement signed by the companies in 2017.

The company provides cellular, ISP, ILD, landline and 'network end point' services to Israeli settlements in Area C under a non-exclusive license from the Israeli Ministry of Communications. It also provides services to settlers and Israeli soldiers in the occupied territory through sales and customer service centers in the settlements of Ariel, Modi'in Illit and Beitar Illit and in occupied East Jerusalem.

Under Israeli law, the Prime Minister has the authority to order Cellcom to provide services to the army. Under the Israeli Equipment Registration and IDF Mobilization Law – 1987, the state can take the company's facilities and equipment for the use of the army.

Since 2012, Cellcom Israel has been the exclusive provider of cellular services to the Israeli army. In April 2018, its contract was renewed for three years, in accordance with a new tender published by the Israeli Ministry of Defense and valued at 12 million NIS. The company created and maintains a portal for soldiers and their families on its website.

The company has agreements with the Beitar Illit settlement municipal council and with the Economic Development Company

of the Efrat settlement. The Efrat Economic Development Company operated as an agent of telecommunication providers Cellcom and Pelephone, receiving a cut of the companies' profits.

In 2009, a Cellcom sales center called "Results – Telemarketing Services" opened in the Beitar Illit settlement, employing ultra-orthodox Jewish settlers.

Additionally, the company enjoys the structural advantages of Israeli telecommunication operators over Palestinian competitors in the Palestinian market. Such advantages include bigger spectrum allotments (in 2015, Cellcom had a total spectrum of 40 MHz, more than 8 times that of the Palestinian cellular provider Jawwal) and the ability to offer 4G capabilities.

**Ownership:** Discount Investment Corporation (DIC) holds the controlling interest (44.16%) in the company through its wholly owned subsidiary Koor Industries. DIC is controlled by companies controlled by Eduardo Elsztein.

Other shareholders include Psagot Investment House Ltd (6.37%), Clal Insurance Enterprises Holdings Ltd (6.01%) and Menorah Mivtachim Holdings Ltd (4.63%).

**CEO:** Nir Sztern

**Revenues:** 1,117 million USD in 2017

**Subsidiaries:** Netvision Ltd. (100%) and 013 Netvision Ltd. (100%)

**Partners:** Cellcom has long term agreements with several Israeli and international corporations, including: Apple Sales International, Samsung International, Med Nautilus, Salesforce.com (USA), Vlocity (UK), NSN Israel (of Nokia Networks group) and Electra Consumer Products (of the Electra Group).

**Head office:** 10 Hagavish St., Natanya Industrial Zone 42507, Israel

**Website:** [www.cellcom.co.il](http://www.cellcom.co.il)

### ***Bezeq – The Israel Telecommunication Corp.***

**Profile:** The major Israeli telecommunications service provider. Bezeq and its subsidiaries provide domestic, international and cellular phone services, broadband Internet, satellite TV and corporate networks. The company is publicly traded on the Tel Aviv Stock.

The company provides telecommunication services to all Israeli settlements, army bases and checkpoints in the occupied West Bank and to Israeli settlements in the occupied Syrian Golan.

The company builds and maintains telecommunication infrastructure throughout the occupied West Bank and Syrian Golan. As at 31 December 2017, the company holds about 40 properties in settlements in Area C of the occupied West Bank.

Moreover, Bezeq enjoys access to the Palestinian market as a captive market, as Palestinian telecommunications infrastructure and services are dependent on the Israeli backbone and suppliers. Bezeq and other Israeli operators collect revenues from Palestinian operators for all international calls, all calls to the West Bank, and many intra-Gaza calls, as well as internet traffic.

Additionally, its full subsidiary, Pelephone Communications, is an Israeli provider of cellular phone services, which as of March 2018 had 216 active antennas and telecommunication infrastructure facilities on occupied land in the West Bank and the Syrian Golan, nine active antennas in no-man's-land areas and 16 additional antennas under

construction. Pelephone provides cellular communication services to the settlers and Israeli soldiers in the occupied territory.

The company also owns DBS Satellite Services (commercially known as "YES"), which provide satellite broadcasting services to some of the checkpoints and to all Israeli settlements.

**Ownership:** B Communications, a publicly traded subsidiary of Internet Gold-Golden Lines, holds the controlling interest in Bezeq (26.34%).

Other shareholders include: Artemis Investment Management LLP (3.31%), Pictet Asset Management Ltd. (1.87%), Capital Research Global Investors (1.72%), The Vanguard Group, Inc. (1.61%), BlackRock Institutional Trust Company (0.82%), Fidelity Management & Research Company (0.82%)

Top mutual fund holders: Artemis Global Income Fund (2.71%), American Funds Capital World Growth & Income Fund (1.72%), Pictet GSF-Global Utilities Equity Fund (1.52%), Vanguard Total International Stock Index Fund (1.02%)

**CEO:** David Mizrahi

**Revenues:** 2,301 million USD in 2017

**Subsidiaries:** Pelephone Communications (100%), DBS Satellite Services (YES) (100%), Bezeq International (100%), Bezeq On-Line (100%) and Walla! Communication (100%).<sup>44</sup>

**Partners:** Partners include British Telecom (BT), Cisco, Check Point, Dell, Microsoft, HP and ALSO.

**Head office:** 132 Menachem Begin St., Tel Aviv 61620, Israel

**Website:** [www.bezeq.co.il](http://www.bezeq.co.il)

<sup>44</sup> The directors of Bezeq have announced their intention to sell Bezeq On-Line and Walla! Communications in mid-2018.

## **Partner Communications**

**Profile:** A public Israeli provider of telecommunications services under the Partner and 012 Smile brands.

The company provides cellular, ISP, ILD and landline services to Israeli settlements in Area C under a non-exclusive license from the ICA, for which it has made bank guarantees of 4.75 million NIS. The company also operates a sales and customer service center in the settlement of Ariel.

As of March 2018, the company has 243 active antennas and telecommunication infrastructure facilities on occupied land in the West Bank (including East Jerusalem) and the Syrian Golan, an additional 13 in no-man's-land areas and five more under construction as part of its joint network with Hot Mobile. In some cases, Company antennas and communication facilities were erected on privately owned Palestinian land.

The company pays rental and land use fees to Israeli settlements, in some cases for the use of private Palestinian land: Partner paid the local council of the settlement of Beit El thousands of shekels every month to keep communications equipment on squatted Palestinian land just outside the settlement's jurisdiction. The company also passed regular payments to the cooperative society of Migron outpost for 12 years.

Additionally, the company enjoys the structural advantages of Israeli cellular services providers over Palestinian competitors in the Palestinian market. The company operates four sales and customer service centers in Palestinian neighborhoods in occupied East Jerusalem, an area that is off limits for the Palestinian cellular companies and therefore constitutes a captive market.

As part of its social responsibility policy, the company sponsors two Israeli military units, the Ezuz armored battalion and the Shachar search and rescue unit, through the provision of sports days, entertainment activities and training. During the attack on Gaza in the summer of 2014, Partner was on the front lines providing material support, cellular services and entertainment to the Israeli soldiers. The company also waived service fees for soldiers during the 2014 assault.

Under Israeli law, the Prime Minister has the authority to order Partner to provide services to the army. Under the Israeli Equipment Registration and IDF Mobilization Law – 1987, the state can take the company's facilities and equipment for the use of the army.

**Ownership:** The largest shareholder in the company is S.B. Israel Telecom (29.37%), an affiliate of the Los Angeles-based private investment firm Saban Capital Group.

Other shareholders include: Psagot Investment House (9.58%), Phoenix Excellence Group (6.89%) and Meitav Dash Group (5.38%)

The company is publicly traded on Nasdaq Stock Exchange and Tel Aviv Stock Exchange under the ticker symbol PTNR.

**CEO:** Isaac Benbenisti

**Revenues:** 943 million USD in 2017

**Subsidiaries:** 012 Smile Telecom Ltd. (100%) and 012 Telecom Ltd. (100%), Partner Future Communications 2000 Ltd. (100%)

Wholly-owned Limited Partnerships: Partner Land-Line Communication Solutions, Partner Communication Products 2016

**Partners:** Amazon Prime Video, Hot Mobile

**Head office:** 8 Amal St., Afeq Industrial Park, Rosh-Ha'ayin 48103, Israel

**Website:** [www.partner.co.il](http://www.partner.co.il)

**Annex I: Pension Funds invested in Altice Europe NV**

INVESTOR	No. of Shares	Valuation in USD	Country	Filing Date
California Public Employees' Retirement System	1,322,508.00	30,516,078.60	United States	30-06-2017
Nuveen LLC	408,028.00	1,445,275.98	United States	31-05-2018
Florida State Board of Administration	297,124.00	2,448,064.06	United States	31-03-2018
British Columbia Investment Management Corp.	134,438.00	3,035,757.92	Canada	31-03-2017
CPP Investment Board	128,000.00	1,054,617.60	Canada	31-03-2018
Vestcor Investment Management Corporation	12,487.00	131,009.86	Canada	31-12-2017
Tredje AP Fonden	1,175.00	27,112.42	Sweden	30-6-2017

*Source:* Thomson Reuters Eikon, accessed 19-07-2018

**Annex II: Pension Funds invested in Bezeq – the Israeli Telecommunication Corp.**

INVESTOR	No. of Shares	Valuation in USD	Country	Filing Date
APG Asset Management	15,471,789.00	27,751,747.93	Netherlands	31-03-2017
Nuveen LLC	6,793,781.00	8,323,740.48	United States	31-05-2018
CPP Investment Board	6,062,000.00	7,751,479.40	United States	31-03-2018
California Public Employees' Retirement System	5,718,557.00	9,509,388.44	United States	31-03-2018
Tredje AP Fonden	2,709,964.00	4,506,399.14	Sweden	30-06-2017
Caisse de Depot et Placement du Quebec	2,446,989.00	3,680,026.76	Canada	31-12-2017
Vestcor Investment Management Corporation	2,002,851.00	3,012,087.62	Canada	31-12-2017
PGGM Vermogensbeheer B.V.	1,353,723.00	2,579,519.18	Netherlands	31-12-2016
Florida State Board of Administration	1,216,742.00	1,555,848.00	United States	31-03-2018
British Columbia Investment Management Corp.	237,757.00	426,464.73	Canada	31-03-2017

Source: Thomson Reuters Eikon, accessed 19-07-2018