



**ANNUAL REPORT**

**2010**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



His Royal Highness

**Naif Bin Abdulaziz Al Saud**

Second Deputy Prime Minister  
& Minister of Interior



His Royal Highness

**Crown Prince Sultan Bin Abdulaziz Al Saud**

The Deputy Premier & The Minister of Defence & Aviation  
& Inspector General



Custodian of the Two Holy Mosques

**King Abdullah Bin Abdulaziz Al Saud**



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**The CITC Board Of Directors**

**Chairman's Statement**

**Governor's Statement**

**Vision And Mission**



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# The CITC *Board Of Directors*

• H.E. Eng. Mohammed J. Mulla, Minister of Communications and Information Technology (MCIT)	Chairman
• H.E. Dr. Abdulrahman A. Al-Jafary, CITC Governor	Deputy Chairman
• Dr. Abdullah A. Al-Rasheed, KACST	Member
• Mr. Ahmed A. Alabdelaali, Ministry of Trade and Industry	Member
• Mr. Ali S. Al-Hedaithi, Ministry of Finance	Member
• Mr. Abdulaziz H. AlHussein, MCIT	Member
• Dr. Asad S. Abdo, Private Sector	Member
• Dr. Jameel A. Aljishi, Private Sector	Member
• Mr. Saleh E. Al-Hosaini, Private Sector	Member



Mr.  
**Ali S. Al-Hedaithi**  
Ministry of Finance



Dr.  
**Abdullah A. Al-Rasheed**  
KACST



H.E. Dr.  
**Abdulrahman A. Al-Jafary**  
**CITC Governor**  
Deputy Chairman



H.E. Eng.  
**Mohammed J. Mulla**  
Minister of Communications  
and Information Technology (MCIT)  
Chairman



Mr.  
**Saleh E. Al-Hosaini**  
Private Sector



Dr.  
**Jameel A. Aljishi**  
Private Sector



Dr.  
**Asad S. Abdo**  
Private Sector



Mr.  
**Abdulaziz H. AlHusseini**  
MCIT



Mr.  
**Ahmed A. Alabdelaali**  
Ministry of Trade and Industry

# Chairman's Statement

The information and communications technology (ICT) sector plays an increasingly important role in the growth of national economy and in supporting social development. It is also one of the important factors in the development of societies in the modern era. This importance is due to its direct and indirect impact on the performance of various manufacturing and services sectors, enhancing quality and quantity, its catalytic impact on productivity, and its key role in strengthening the competitive environment. It also plays an important role in the move towards a knowledge economy and information society.

Despite all of the achievements in the Kingdom during the fiscal year 14311432/H (2010G) to extend the deployment of ICT services, particularly the broadband services, and although growth has been rapid in this area over the past few years, a significant gap still exists compared with developed and some neighboring countries. In order to achieve the objectives of the Ninth Development Plan, which include "the pursuit of a knowledge economy through the application of electronic transactions and disseminating the use thereof in all regions of the Kingdom", further effort will be necessary to accomplish even greater goals in this field, in both the urban and rural areas of the Kingdom. In the urban areas, strategic plan initiatives need to be developed to address the objectives of the Ninth Development Plan of the Kingdom. In the remote areas the Universal Service Fund projects have already started to spread voice, broadband and internet services, encouraged by the strong support given by the government of the Custodian of the Two Holy Mosques - may God protect him - to the industry in general, and to implement the policy of providing universal access to ICT services and protect the rights of users.

Communications and Information Technology Commission (CITC) has made outstanding achievements by regulating and supervising the sector, accompanied by the continuous development of regulations and procedures. CITC is keen to achieve fairness, balance, and transparency to maintain the interests of users, protect them, encourage fair competition between service providers, and to facilitate the deployment of access and network infrastructure. All of this has contributed to sustaining the provision of a variety of distinctive ICT services, at competitive prices.

CITC's mission is not only focused on regulating the telecommunications sector, but also extends to strengthening the ICT sector by launching initiatives to further develop internet services, to strengthen information security, and to develop the entire sector. The achievements of the Commission reviewed in this annual report inspire us all with a desire to pursue even greater accomplishments next year, God willing, especially with the development of regulatory frameworks to support the rapid developments in technologies, services and applications.

I am pleased, on behalf of the Board of Directors, to submit the CITC annual report for the fiscal year 14311432/H (2010G) which reviews the overall activities of CITC and its achievements during the past year. I wish to take this opportunity to thank the members of the Board of Directors, H.E. the Governor of CITC and all staff for their excellent efforts towards achieving its objectives, praying to God - the Almighty - to preserve our dear country, to continue to bless us, and to help us all to do what is entrusted to us, with honesty and sincerity, in order to continue to strive towards our goals.

**Eng. Mohamed Jamil A. Mulla**  
**Chairman of the Board**

# Governor's Statement

Implementing the vision of the government of the Custodian of the Two Holy Mosques - may God protect him - encouraging investment as the main driver of economic development, CITC has continued its efforts to create and establish a favorable investment environment through the provision of a transparent and just regulatory environment, to open the door to fair competition, and to attract new technologies in the ICT sector to provide end-users with the latest and most reliable services.

During the year 1431/1432/H (2010G), CITC continued its efforts towards liberalizing the ICT service markets. A total of 313 licenses were issued by the end of 2010, the aim of these licenses being to provide new and varied telecommunications services in the Kingdom. In addition, the Commission initiated a study of global trends in unified licensing and resale of services to assess their suitability for application in the Kingdom, study their impact on telecom markets, and to determine the optimal method and timeframe for implementation, in accordance with the best international practices

In addition, and to promote effective competition and limit the abuse of dominance and reduce the barriers to new-entrants into the telecom markets in the Kingdom, CITC prepared the regulatory framework and a report on market definition, designation and dominance. Eleven decisions were issued, including one for each of the ten markets designated for dominance also determining the dominant service providers in each market, and the regulatory framework necessary to remedy any abuse of market dominance. All of these measures will have positive effects on the telecommunication markets in the Kingdom, and on the creation of fair competition between service providers, in line with best international practice.

CITC is keen to adopt the principles of fairness and transparency, to ensure that all sector stakeholders are kept well informed, and to build excellent relations with them. It continued to seek stakeholder participation through public consultation on some matters relating to the sector in order to issue comprehensive regulatory guidelines aimed at overcoming the obstacles that affect the competitive process and to find a reasonable balance between interests of all concerned parties.

CITC's protection of user rights included several measures, including follow-up and coordination with service providers to resolve user problems. CITC resolved 1,602 violations during 2010. It also continued to regulate service tariffs and followed up on the quality of service indicators, ensuring their conformity with established criteria.

In order to provide comprehensive ICT services in remote and commercially non-profitable areas, the Universal Service Fund (USF) prepared a strategic plan to provide voice, internet and broadband services. It also prepared the Operational Plans for 2010 and 2011. The USF launched the Exploration Project and two projects of the first Operational Plan by awarding contracts to provide voice services.

CITC will continue, God willing, to strive hard to develop and promote a fair, clear and transparent regulatory environment. CITC will apply these principles to strike a balance between the interests of all relevant parties, including individuals or institutions, investors, service providers, government, and the public. This will guarantee that the needs of consumers continue to be met, particularly for broadband services, and ensure the provision of high quality diversified ICT services, at affordable and competitive prices.

wo Holy Mosques - may God protect him - is the primary reason for the successes achieved. We ask God for help and assistance to complete these objectives and to implement these policies in the ICT sector in the Kingdom.

I would like to thank His Excellency, Chairman of the Board of Directors, members of the Board, and CITC employees for their efforts. I would also like to thank all those who contributed to the success of CITC's work, whether through participation by sending survey responses and suggestions in public consultations, or through providing opinion and advice directly to CITC, or otherwise helped it to achieve its goals.

***Dr. Abdulrahman A. Al-Jafari***

***Governor***

# Vision *and Mission*

## Vision

***“Universally available, high quality and affordable  
communications and information technology services”***

## Mission

- Provide a fair, clear and transparent regulatory environment to promote competition, safeguard public interest and stakeholder rights
- Enable universal availability of advanced ICT services and optimize utilization of scarce resources
- Increase ICT awareness and usage to enhance national efficiency and productivity
- Build a professional and motivated CITC team.





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# 1. Executive Summary

This report highlights CITC's major activities and achievements during Fiscal Year 2010. It reviews the development of the ICT sector and the regulatory environment (Chapter 2), the Board members (Chapter 3), CITC's vision and mission (Chapter 4), and the current situation (Chapter 5).

Chapter 6 of the Report covers the key activities and accomplishments during the reporting period, divided into five main streams, as follows:

## A. Promotion of Competition and Sector Development:

- Following up on the issuance of the third license for the provision of fixed services.
- Completing the ICT market study.
- Initiating a project for unified licenses and resale of ICT services.
- Initiating two licensing projects, one for the leasing of carrier telecom facilities and the second for digital authentication services.
- Initiating a strategic project for the development of broadband services.
- Continuing efforts to update the Reference Interconnection Offer (RIO) (fourth version).
- Completing the Reference Offer for Data Access (RODA).
- Completing the preparation of a regulatory framework and a report for the definition,

designation and dominance of telecommunications markets.

- Reviewing process for mergers, acquisition and bankruptcy.
- Updating the policy of accounting separation.
- Studying the establishment of international internet exchanges (IIXP).
- Preparing performance indicators for the ICT services market.
- Developing draft guidelines for fixed number portability.
- Supervising both internet services and Saudi domain name registration.
- Increasing the Kingdom's readiness for the transition to IPv6.

## B. Consumer Protection:

- Handling 16033 consumer complaints and 1602 violations of the Bylaw.
- Regulating the tariffs for ICT services.
- Updating quality of service indicators and their implementation.
- Continuing efforts to filter internet services.
- Preparing a regulatory framework for anti-spam control procedures.
- Updating technical specifications for all ICT equipment.
- Developing an electronic system for approving and exempting ICT equipment.
- Overseeing the provision of ICT services for Hajj and Umrah pilgrims.

- Initiating the second awareness campaign on the importance of using the internet.
- Initiating an awareness program on risks from exposure to electromagnetic radiation.

### **C. Management of Scarce Resources:**

- Managing frequencies and following up with the implementation of the National Frequency Plan.
- Updating and managing the national numbering plan.
- Preparing guidelines on rights of way to encourage network expansion of telecommunications networks and associated services.

### **D. Regulatory Environment and Transparency:**

- Updating of CITC statutes.
- Issuing 39 regulatory decisions (Appendix B).
- Conducting five public consultations (Appendix C).
- Publishing periodic ICT sector performance indicators.
- Interacting with media.
- Preparing and publishing the IT annual report.

### **E. Universal Service Fund (USF):**

- Preparing and approving the strategic plan for the provision of voice and broadband internet services in remote and underserved areas.
- Preparing and approving the first and second Operating Plans for 2010 and for 2011.
- Preparing the project scope of work for the provision of ICT services in underserved and earthquake-affected areas.
- Tendering and awarding the pilot project and the second project of Operational Plan 1 for voice and broadband internet services provisioning.

The report also highlights studies conducted by CITC (Chapter 5), highlights on the CITC's accomplishments during year 2010 compared with the objectives of the ninth development plan (Chapter 6), and concludes with a list of programs for 14321433/H (2011G) (Chapter 7).

The report includes several appendices: Major Board resolutions; CITC decisions; public consultations; other CITC activities; events and meetings; licenses issued, the CITC "Code of Professional Conduct and Ethics"; and the financial statement for fiscal year 14311432/H (2010G).



## **2. The ICT Sector**

*in the Kingdom of Saudi Arabia*

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## 2. The ICT Sector in the Kingdom of Saudi Arabia

### 2.1. Sector Evolution

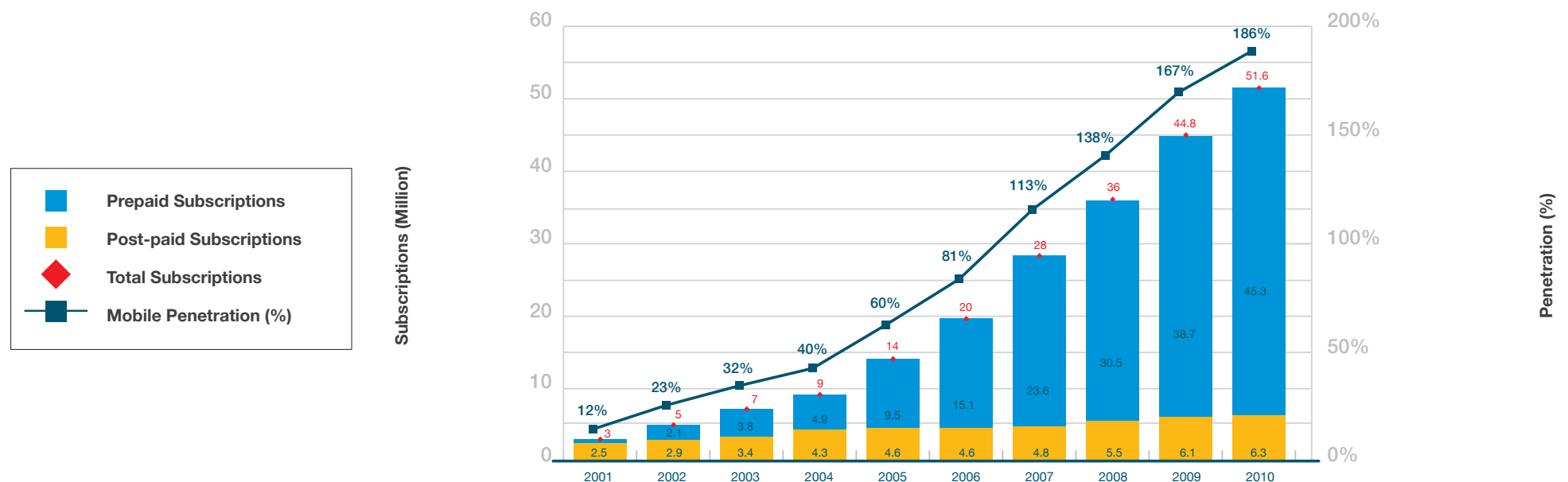
#### 2.1.1. Mobile Telecommunications Market

Competition in the mobile telecommunications market has been vibrant since its inception in 2005. The total number of mobile subscriptions grew to around 51.6 million by the end of 2010, up from only 2.5 million when CITC was established in 2001. This represents a growth of about 15% over the previous year of 2009. Figure (1) depicts the mobile subscription evolution from 2001 to 2010. By the end of 2010, mobile penetration in Saudi Arabia stood at 186% which is higher than the world average of 76%, the developing countries average of 73% and the developed countries average of 116%. The

continued and substantial growth in mobile services demonstrates its popularity with consumers in terms of service offerings, quality of service, customer care and reduced prices.

Prepaid subscriptions constitute the majority (88%) of all mobile subscriptions, in line with the trend in other similar markets around the world. Prepaid subscriptions include the temporary addition of pilgrims and visitors (in third and fourth quarters of 2010).

**Figure (1): Mobile Service Market Growth - Total Subscriptions (2001-2010) Source: Based on numbers reported by mobile service providers**

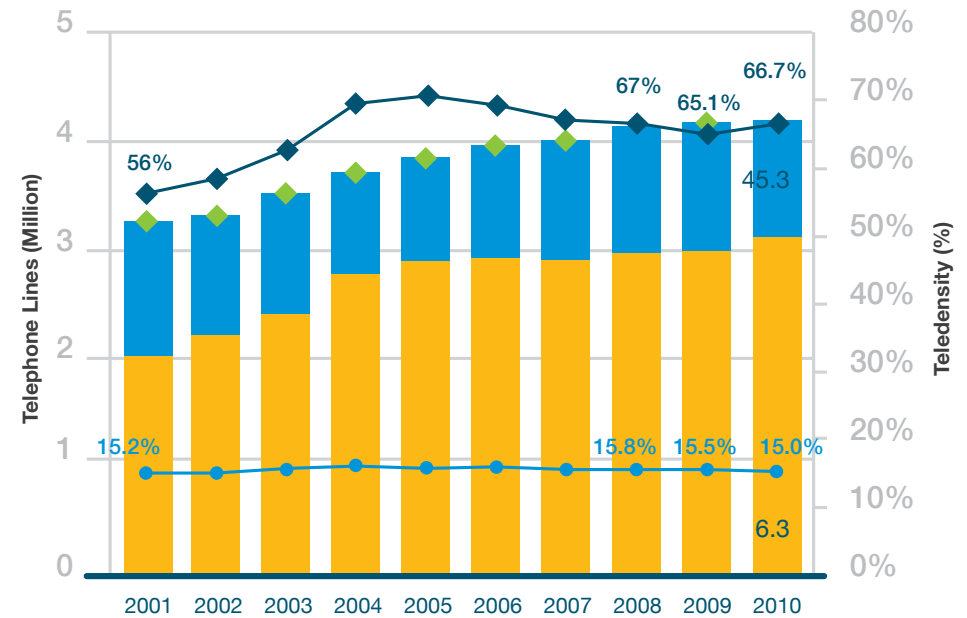


### 2.1.2. Fixed Telephony Market

Fixed telephone lines stood at 4.16 million by the end of 2010, of which around 3.1 million or 75% were residential lines. This represents a household teledensity of around 66.7%, Population teledensity is around 15% or 15 telephone lines for every 100 inhabitants. This is slightly lower than the world average of 17.8%, but is higher than the Arab world average of 10.5% and the developing countries average of 13.5%.

Figure (2) indicates that there is relative stability in the uptake rate of fixed services since 2004. The main reason is the rapid spread of mobile telecom services, ease of subscription, and the gradual decrease in prices; which has led to the lower number of requests from consumers for a fixed service. Furthermore, the growth of broadband subscriptions has reduced the need for more than one line in a household, as a broadband connection negates the need for a separate fixed telephone line for dialup Internet access. The limited number of new lines being installed to gain access to the Internet may be due to the ease of subscription in wireless, mobile broadband systems. The migration from fixed to mobile communication is a global phenomenon found in most developed countries, and some other countries, including the Arab world.

Figure (2): Fixed Telephone Market Evolution (2001-2010)



**Note:** Population teledensity is calculated by dividing total fixed telephone lines by the population, while household teledensity is calculated by dividing only residential lines by the number of households.





## 2. The ICT Sector in the Kingdom of Saudi Arabia

### 2.1.3. Broadband Market

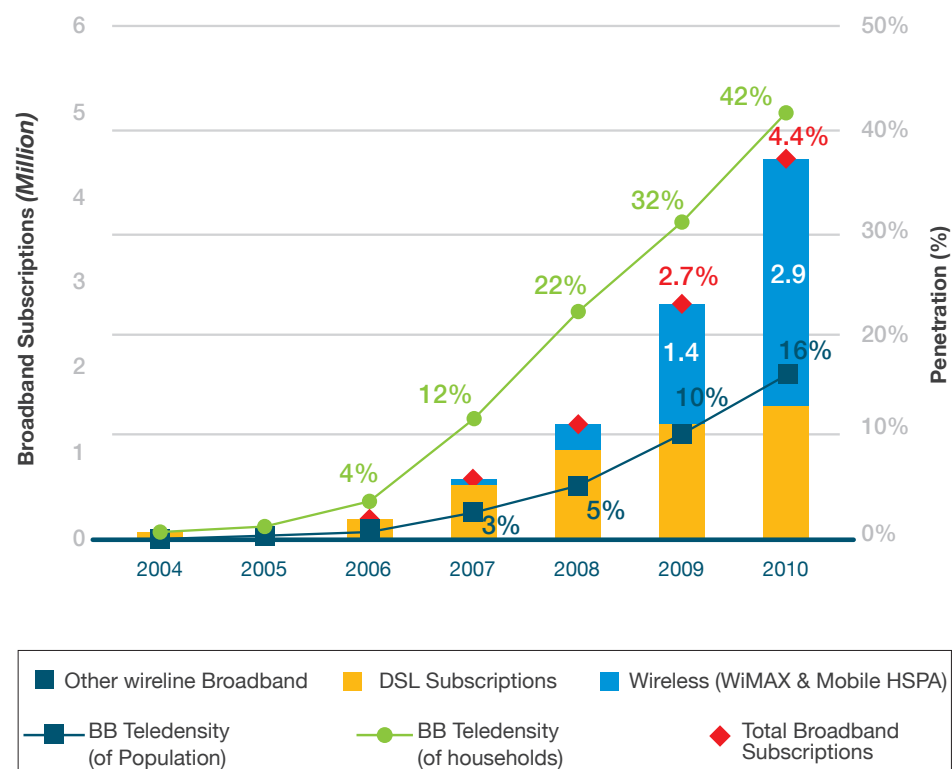
2010 has witnessed a significant growth in the number of subscriptions for broadband services from 2.75 million by the end of 2009 to about 4.4 million by the end of 2010, as shown in Figure (3). It demonstrates the growth of broadband penetration in the Kingdom with an average cumulative annual growth rate (CAGR) of about 123% per year during the past five years. It is noted that DSL subscriptions make up about 33.6% of total broadband subscriptions, while fixed wireless and mobile broadband comprise the balance of 65.4%.

Broadband penetration is about 16% of population (16 per 100 inhabitants), which is higher than the world average of 8% - according to ITU statistics - and less than the average of developed countries of 24.6%, but higher than the average for developing countries of 4.4%.

Household broadband penetration had reached about 42% at the end of 2010 (assuming that 80% of wireline and 25% of the wireless and mobile connections are for domestic use, and the rest for office or business, or for individuals only), and this means that more than a third of houses have been connected to a broadband service.

As shown in Figure (3), most of the growth in 2010 was due to fixed wireless and mobile connections, which grew by more than 100% over 2009, and now represents two thirds of broadband subscriptions. The growth rate for DSL was 33.6% for 2010, while it was higher at 47% for 2009. The other wireline broadband connections are less than 2% of the total broadband connections.

Figure (3): Broadband Market Evolution (2001-2010)



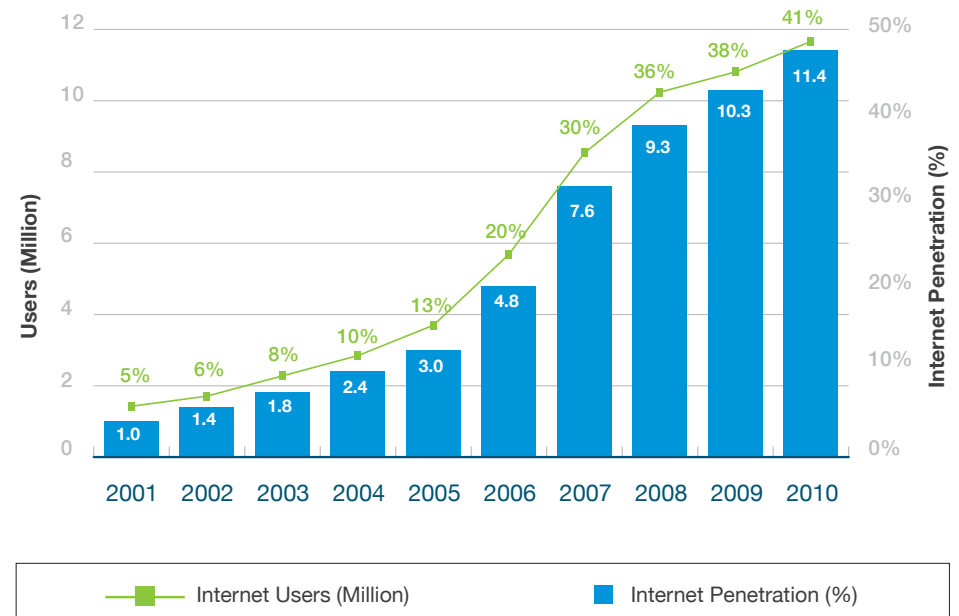
*There are still opportunities for further growth in broadband deployment in the Kingdom over the next few years, particularly through wireless and mobile systems, with the beginning of the Universal Service Fund projects, and the intensified competition in the field of mobile broadband, and in view of anticipated demand for broadband applications.*

### 2.1.4. Internet Services Market

The number of Internet users grew from around 1 million in 2001 to an estimated 11.4 million at the end of 2010; which corresponds to a CAGR of around 31% over the ten year period (2001-2010). Internet penetration increased to 41% of the population by the end of 2010. Internet penetration has increased at high rates during the past few years, from 5% in 2001 to about 41% at the end of the year 2010, as shown in Figure (4). Internet penetration in the Kingdom is higher than the world average of 28.7%, the Arab States average of 24.9% and the developing countries average of 21%, but is lower than the developed countries average of 71%.

This rapid growth of Internet users in Saudi Arabia is attributable to the increased awareness of the benefits of the Internet, the significant growth in broadband services and available speeds, in addition to the continuing decline in the prices of devices and services, and more provision of electronic applications and transactions (e.g. banking and e-services).

Figure (4): Internet Market Evolution (2001-2010)



**Notes:**

*For years 2001-2006: CITC estimates based on reported Internet connections (dial-up & broadband).*

*2007 and 2008: Based on the results of CITC's two major field surveys of the Internet market.*

*2009-2010: CITC estimate is based on the results of the two field surveys carried out in 2007 & 2008.*

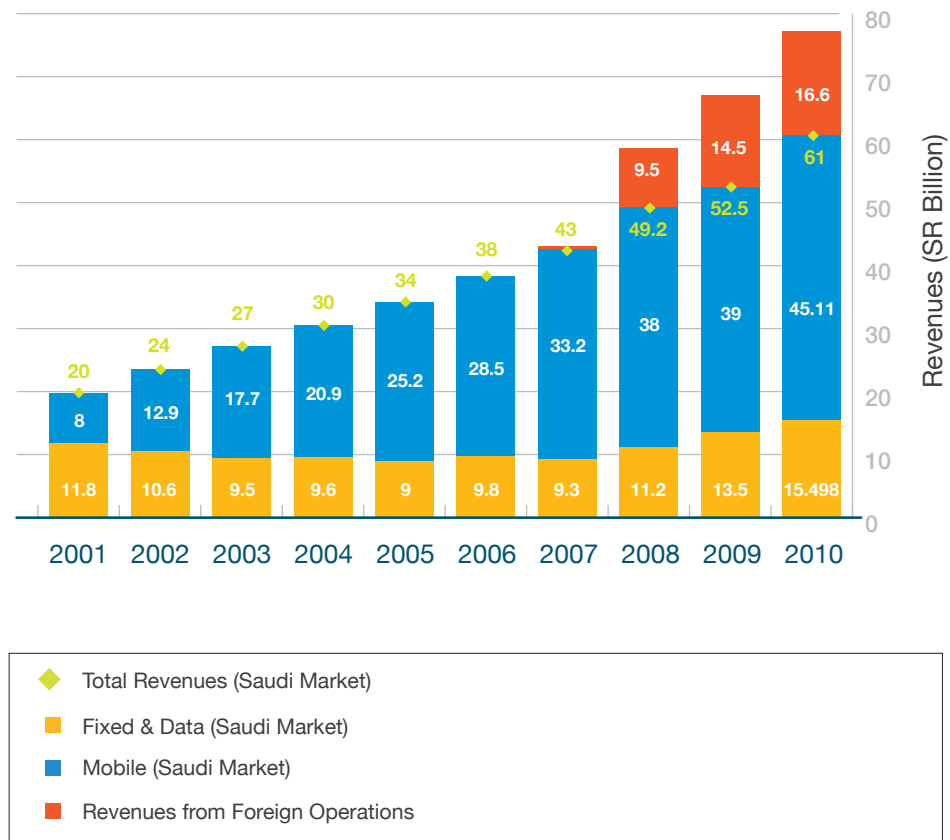
## 2. The ICT Sector in the Kingdom of Saudi Arabia

### 2.1.5. Telecom Services Sector Revenues

Telecom service revenues in Saudi Arabia have been steadily growing at a CAGR of around 13% over the past ten years (2001-2010), reaching SR 61 billion at the end of 2010. Mobile services represent about 73%, while fixed and data services represent about 25%, of total revenues.

In addition to the revenues from the domestic market, investment by Saudi licensed telecom operators in foreign telecom markets has led to a rapid growth of revenue for the sector from foreign operations, rising from SR 455 million in 2007 to SR 16.5 billion in 2010, so bringing the total revenue of the telecom sector within and outside the Kingdom to about SR 77.6 billion.

Figure (5): Telecom Sector Revenues (2001-2010)



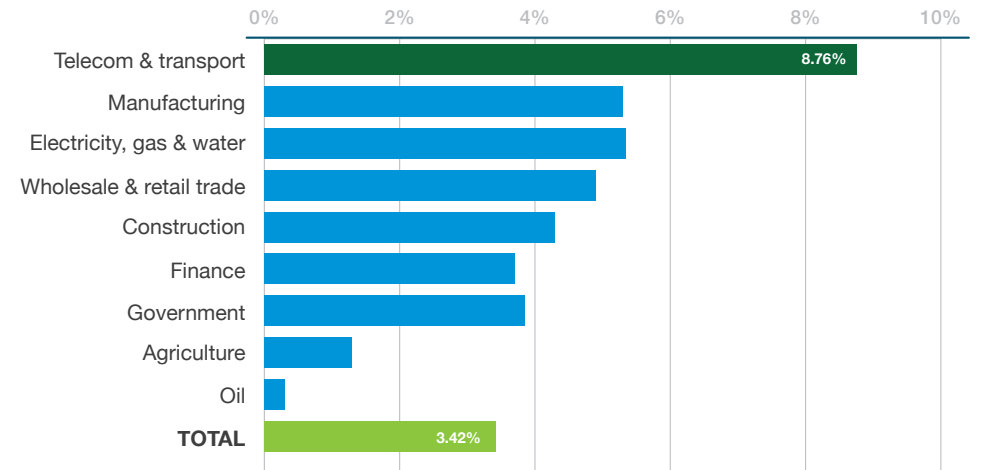
### 2.1.6. Telecom Sector Liberalization and Economic Growth

ICT sector reforms have led to remarkable benefits for the market, including increased investment, higher sector growth, and increased contribution to the gross domestic product (GDP), in addition to the positive spillover effects of increased efficiency and productivity in other areas of the national economy.

Published economic data shows that the telecom and transport sector was by far the fastest growing market of the economy as shown in Figure (6). The sector grew over the past five years, from 2005 to 2010, by a CAGR of 8.76%, more than twice the overall GDP CAGR of 3.42%. The growth is mainly attributable to the rising mobile subsector and more recently due to accelerated increase in broadband and Internet penetration.

Studies and published economic data also indicate that Communications and Transport sector is the fastest growing economic sector, (growing by 6% in 2010), with an average annual growth of 8.8% over the past five years.

**Figure (6): Real GDP growth by sector – compound annual growth rate (CAGR) over five years (2005-2010)**



## 2. The ICT Sector *in the Kingdom of Saudi Arabia*

### 2.1.7. Telecom Service Prices and Inflation

#### 2.1.7.1. Telecom Service Prices

The liberalization of the telecommunications sector and the opening of its market to competition lead to spreading of services, improving quality, and choice of suppliers, in addition to lowering of service prices over the past years. It is worthy to note that while in recent years the Saudi market has seen a remarkable rise in goods and services prices, the prices of telecommunications services has seen a continual decline.

According to ITU figures, the price basket of telecommunications services, which is defined as the average price of the basic telecommunications services

(fixed, mobile phone and broadband) with reference to the average annual income per capita, had fallen in the Kingdom during the past years, with the Kingdom ranked 37 out of 161 countries for relative basket prices for all ICT services. Table (1) shows the ranking of the Kingdom for the overall price basket of basic services, and for each of these services.

As these statistics indicate, the impact of competition in lowering the prices of mobile phone services is very clear compared to fixed phone services, and despite the low prices of broadband services, the ranking of the Kingdom is still high compared to mobile and fixed services.

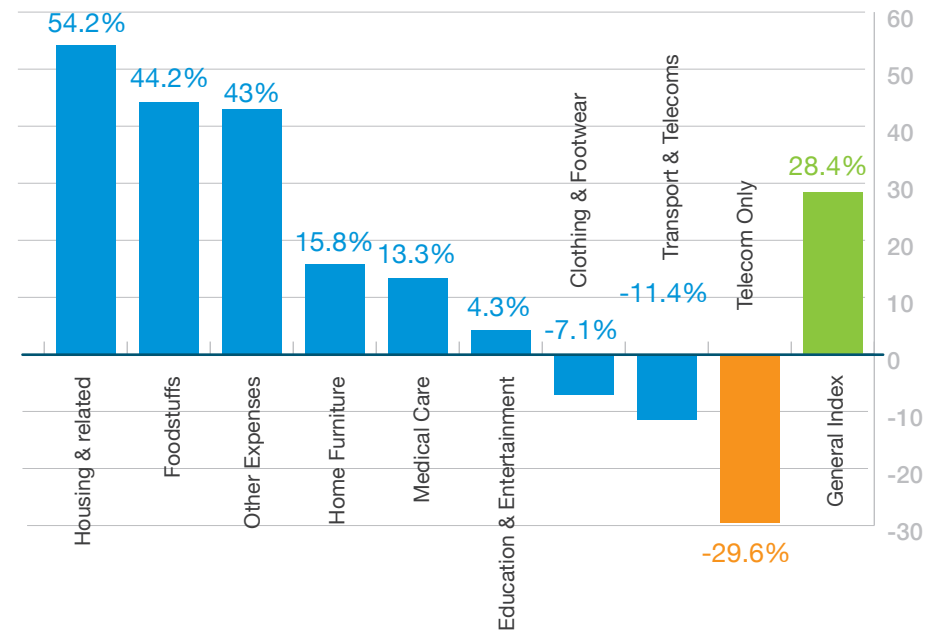
**Table (1): Comparison of price baskets for telecommunications services in the Kingdom for the years 2008 and 2009 (ITU analysis)**

	Per capita expenditure of the annual income 2008	Per capita expenditure of the annual income 2009	The % basket price decreases	World Ranking
All ICT Services	1.49	1.12	24.8%	37
Fixed phone service	0.72	0.71	1.4%	29
Mobile phone service	0.68	0.58	14.7%	24
Fixed broadband service	3.09	2.06	33.3%	44

**2.1.7.1. Inflation**

The cost of living index continued to rise in the last few years (which increased by 8.8% in 2010 compared to 2009) while the prices of telecom services have relatively decreased. Figure (7) depicts the relative changes in the overall cost of living index (CLI) and of its major expenditure groups during the years 2001-2010. The telecommunications services subgroup is also included in Figure (7) for ease of comparison. While the general CLI index increased by around 28.4% cumulatively over the last 10 years, with costs of most of its expenditure groups rising, the costs of the transportation and telecom group decreased by around -11.4%. Most notable, however, is that the cost of telecom services subgroup went down during the same period by 29.6%.

**Figure (7): Change in the Cost of Living Index (inflation) in Saudi Arabia over the period 2001-2010 (cumulative)**



Source: CITC analysis based on data published by the central Department of Statistics & Information ([www.cdsi.gov.sa](http://www.cdsi.gov.sa))

## 2. The ICT Sector *in the Kingdom of Saudi Arabia*

### 2.2. Regulatory Framework

CITC has been the telecommunications regulator in the Kingdom of Saudi Arabia since 2001, and information technology promoter since 2003. The Telecom Act (enacted in June 2001) and its Bylaws (issued in July 2002) provide the basis for the regulatory framework. The CITC Ordinance (issued in June 2001 and amended in July 2003) defines CITC's mandate, functions, governance, and financing. The Rules of Procedures (issued in 2004) detail the steps which operators and CITC need to follow for timely resolution of issues addressed to CITC.

ICT service providers who are licensed to offer specific services, under the terms and conditions of their licenses, may utilize technologies of their choice, since CITC applies a "technology neutral and service specific" licensing regime. CITC's agenda includes the development of a fair and equitable competitive environment such that the ICT market can be further liberalized. This encourages licensed service providers to rollout their network infrastructures, offering new and advanced services, to provide services at affordable tariffs, and to ensure

universal availability of ICT services throughout the Kingdom.

CITC continued to review and develop its regulatory framework during 2010. Keeping the public interest and protection of consumers in mind, a number of public consultations were conducted with due consideration given to comments received from stakeholders and interested parties. The following regulatory framework documents and guidelines were published in 2010 (The associated Decisions are listed in Appendix B):

- Reduce SPAM
- Designation of Markets & Dominance in the Telecom Sector
- Collection of Charitable Donations by SMS
- Provision of Telecommunication Services via Satellite, using VSAT
- Review of the Telecom Act, propose any amendments, and seek approval from appropriate authorities.

CITC Statutes as well as the published regulatory framework documents are available on the CITC web site [www.citc.gov.sa](http://www.citc.gov.sa).



### 2.3. CITC Roles and Responsibilities

CITC roles and responsibilities are defined by its Ordinance and other relevant Government directives. The most important roles of CITC include:

- Implement ICT sector policies, plans, and programs.
- Issue necessary licenses for ICT service provisioning.
- Liberalize and regulate the telecommunications market while attracting local and international investments in the ICT sector.
- Encourage reliance on market forces for the provision of ICT services.
- Safeguard the public interest, protect consumer rights and ensure safety and security within the ICT environment.
- Ensure fair and equitable treatment of all stakeholders including service providers, investors, the Government, and consumers.
- Establish the basis for telecom services tariff regulation.
- Establish conditions related to Universal Service and Universal Access.
- Manage the radio frequency spectrum resource, including development of the National Frequency Plan, and propose a spectrum usage fee structure.
- Establish and manage the National Numbering Plan.
- Promote IT services, increase awareness and usage of Internet.
- Oversee Internet services provisioning and manage the country code top-level domain name (.sa).
- Participate in e-Government and e-Commerce programs.
- Encourage research and development in the ICT sector and encourage modernization of networks and services.



### 3. **Current** *Situation*

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## 3. Current Situation

### 3.1. Organizational Structure

The Governor of CITC is the chief executive officer. He supervises CITC senior management as well as the Commission's relations with external parties including Government entities and other stakeholders. Five Deputy Governors (Regulatory Policy & Licensing Affairs, Technical Affairs, Spectrum Affairs, Legal Affairs, and IT) as well as several General Managers and Advisors report to the Governor. The organizational structure is outlined in the Chart below.

### 3.2. Manpower

CITC strives to attract a qualified and professional labor force it needs to execute its mission and attain the goals for which it was established. It maintains a conducive and highly productive work environment. The total number of staff at the end of the Fiscal Year 1431/1432H (2010G) was 325, of which 95% were Saudis. The professional staff (engineers, IT specialists, technicians, financial and legal specialists) accounted for about 66% of the total employees.

CITC has developed a Code of Conduct for its employees in order to ensure that the rights of all stakeholders are respected and that they are dealt with courteously, fairly and impartially; to safeguard against conflicts of interest, either real or perceived; and to protect against misuse of authority. Excerpts from the Code of Conduct are published on the CITC website (and reproduced in Appendix H of this Report).

### 3.3. Buildings

CITC currently does not own any buildings. CITC currently leases its headquarters building, along with two separate buildings in Riyadh, one each for the Frequency Spectrum sector and the Universal Service Fund. It also utilizes a fourth building that is owned by the Ministry of Communications and Information Technology in Riyadh to accommodate some employees. CITC has two

branches; the first is located in Jeddah, in Makkah Al-Mukarramh region, while the second is located in Al-Khobar city in the Eastern region. Both of these buildings are also leased.

CITC, at the end of 2008, awarded a contract for the construction of its first ever owned headquarters building in Riyadh to a Saudi company with a planned completion period within 30 months of award of the contract. The building was 68% completed at the end of 2010, and it is anticipated that it will be fully constructed by the end of 2011. CITC has procured two plots of land, one each in Jeddah and Dammam, to establish two permanent branches. Architectural designs are underway for these two branch buildings. Furthermore, four plots of land were procured in Riyadh, Dammam, and Abha to establish spectrum surveillance stations.

### 3.4. Electronic Readiness

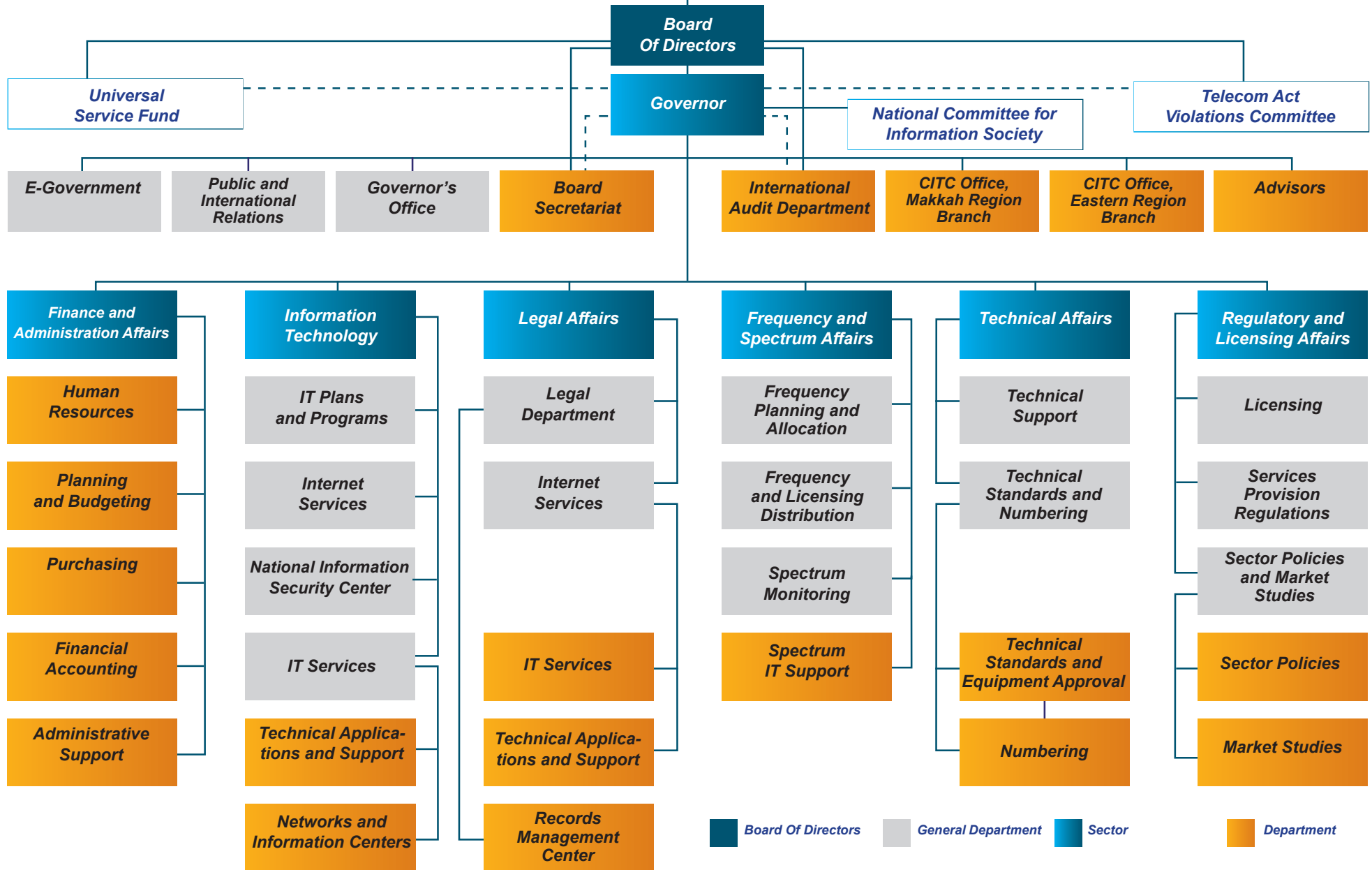
CITC has been building its internal infrastructure to support its employee requirements and to achieve its objectives and tasks. The following was accomplished during the year 2010:

- Completing the development and implementation of CITC electronic portal.
- Completing the consolidated infrastructure project for client account life cycle, and linking systems with an aim to integrate the networks for national internet, for CITC internal needs, and for information security.
- Implementing the first phase of the project for CITC's electronic services.

### 3.5. Internal Audit Department

CITC Board had sanctioned formation of an Internal Audit department in CITC, as per the Cabinet's resolution to establish internal audit departments in all government and public institutions. CITC's Internal Audit department began its functioning during year, developing a plan and beginning its implementation.

**Communications and Information Technology Commission (CITC)**





## 4. **Main Activities** *and Achievements*

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## 4. Main Activities *and Achievements*

### 4.1. Promotion of Competition and Sector Development

#### 4.1.1. Licensing and Market Liberalization

CITC continued its activities in promoting market competition by issuing new licenses for a number of different services, and terminating a host of others. The total number of issued licenses had reached 313 by the end of 2010 compared to 298 licenses issued in 2009. These licenses are listed in Appendix F.

In line with CITC's quest to conclude its program on the liberalization of the fixed services market, and to open it for competition, Council of Ministers issued Resolution #38 on 18/2/1429H (26/2/2008G) approving the award of three fixed telecom licenses. Etihad Atheeb Telecom Company, which was issued with the second fixed services license in 2009, commenced its commercial services in the same year. The other two selected fixed service providers (Optical Communications Co. (with Verizon of USA) and Saudi Integrated Telecom Co. (with PCCW of Hong Kong)) are making a slow progress in completion of all licensing requirements including an initial public offering (IPO). CITC is reviewing progress with them and with the Capital Market Authority (CMA), in launching their shares for public subscription, one of the requirements of the procedure for the issuance of licenses, and to set up their network infrastructure prior to commencing commercial services. CITC continued to monitor compliance of facilities based fixed, mobile and data licensees against their license obligations and commitments, including network rollout, coverage obligations, and provision of services.

#### 4.1.2. ICT Markets Study

During the year, CITC completed a comprehensive study of the ICT markets in the Kingdom to measure the effectiveness of CITC policies and regulations in liberalizing ICT markets, to identify necessary enhancements, and to prepare a comprehensive manual of key ICT indicators. The study will be completed in 2011.

#### 4.1.3. Licensing the Rental of Telecommunications Facilities

CITC prepared a study to consider awarding of licenses for rental of surplus telecommunications facilities (fiber optic cables and towers) owned by public utilities companies such as the electricity, water and railways. The rental of the surplus facilities would be offered to the currently licensed ICT service providers. The study, which included evaluating the financial benefits to these surplus facilities providers, was approved by the Board and is being coordinated with the Ministry of Finance for approval to proceed with licensing. This will greatly assist the optimal use of telecom infrastructure in the Kingdom, leading to reduced service provisioning costs, and enhancing the deployment of services, especially in remote areas.

#### 4.1.4. Licensing of Digital Authentication Services in the Kingdom

CITC prepared terms and conditions as well as license obligations for the provision of digital authentication services in the Kingdom to enable licensed companies to issue certificates of digital authentication through the National Digital Authentication Center. The project aims to encourage the use of electronic services and electronic signatures with their ability to facilitate transactions at local and international levels, and to build confidence in validating and authenticating transactions, e-signatures and e-records, and to remove obstacles faced to complete these transactions. The study included projecting the estimated financial returns from this service. Work is now under way to finalize the preparation of the license application document.

#### 4.1.5. Broadband Strategy

In view of the growing importance of broadband and its impact on economic and social development, narrowing the digital divide gap and transforming the Kingdom into a knowledge economy and information society, CITC success-



fully developed a strategy for broadband in the Kingdom. The strategy reviewed the objectives of current service providers, CITC and other relevant agencies, as well as the challenges faced in the development of broadband networks and services.

A benchmark study and an analysis of the status of broadband market growth in several other countries were conducted to identify best practices and develop their application in the Kingdom. Plans, specific programs, and constructive initiatives were also put in place to stimulate the spread of broadband services in all the regions of the Kingdom. The final project report is in progress for approval.

#### **4.1.6. Reference Interconnection Offer (RIO)**

In continued efforts on periodic updates to the RIO submitted by STC, the dominant service provider, comments received in response to the public consultation on the draft 4th version of the RIO were analyzed together with relevant benchmarking and other studies. The required amendments to the RIO were determined and STC was requested to incorporate these and update the RIO document. A decision for approval of the amendments is expected in early 2011.

#### **4.1.7. Reference Offer for Data Access (RODA)**

The first version of the RODA submitted by STC, the dominant service provider, was approved and published in 2007. In 2009, CITC initiated a revision of the RODA document, including an international benchmarking study as well as conducting a public consultation. A decision was issued during the year directing STC to revise the RODA as per CITC requirements. The updated RODA will be published on both the STC and CITC web sites.

#### **4.1.8. Market Definition, Designation and Dominance in the Telecom Sector**

This project was aimed at reviewing best international practices and experience in the classification of telecommunications markets in regulatory terms for defining and designating markets for dominance, as well as determining dominant service providers in each of the designated markets. A regulatory framework was developed for such determinations, including documenting possible remedies for abuse of dominance, and this was approved by the Board. An associated detailed report for market definition, designation and dominance was also prepared. Eleven decisions were issued by CITC, consisting of ten decisions for each of the designated markets and one for the implementation of the regulatory framework. CITC is now following up on the implementation of these decisions.

#### **4.1.9. Accounting Separation Policy**

A process was initiated in 2009 to review the current accounting separation policy in line with evolving telecom market conditions. The objective is to revise the regulatory guidelines to be followed by service providers requiring the filing of periodic reports of separated accounting results for defined business units. This accounting separation policy revision project is planned to be completed in 2011. In this regard, the following major activities were accomplished during 2010:

- Completed a benchmarking study on the best international practices.
- Prepared a discussion paper to identify the best options and directions for accounting separation policy in the Kingdom including other types of regulatory separations.
- Conducted a public consultation on the draft policy documents, seeking

## 4. Main Activities and Achievements

comments from all interested parties.

- The responses to the public consultation were analyzed, with the intent to prepare the final policy documents for adoption next year in 2011.

### 4.1.10. International Internet Exchange Points (IIXPs)

This project is studying the possible establishment of an internet exchange to serve local and international internet traffic in the Kingdom. It also aims to determine if these services require licensing or not, eventually leading to the enhancement of internet services, reducing prices for end users. It will localize internet traffic inside the Kingdom and attract both regional and international internet traffic. In this regard, the following major activities were accomplished during 2010:

- Studied and analyzed the current status of International Internet Exchanges in the Kingdom.
- Benchmarked and analyzed the best practices for internet exchanges in comparable countries.
- Conducted a public consultation on a number of options for the creation and operation of an internet exchange in the Kingdom.

Analysis of responses to the public consultation is currently underway, and a report will be prepared in 2011 on the development of a regulatory framework for international internet exchange points.

### 4.1.11 ICT Market Performance Indicators

As part of its efforts to monitor the performance of the ICT services market in the Kingdom, CITC has been publishing quarterly ICT indicators reports. These indicators also assist CITC in developing its regulatory frameworks and policies, in response to market development. The reports include performance in-

dicators such as service penetration levels and growth rates, among others. The indicators are based on inputs filed by the licensed service providers of fixed, mobile, data and internet services, in addition to market surveys and other sources. Key summary results are published on the CITC website and its newsletter.

### 4.1.12. Mergers, Acquisitions, and Bankruptcy in the Telecom Sector

CITC started a project in 2009 to develop a regulatory framework and procedures to be followed in studying requests for regulatory approval for mergers, acquisitions, or bankruptcies. Relevant statutes were examined to determine the responsibilities of the concerned parties in the Kingdom. An international benchmark study was undertaken, followed by a public consultation, and the responses to the public consultation were analyzed. Currently, the final draft of these procedures is underway in preparation for its approval in 2011.

### 4.1.13. Number Portability

This project aims to develop unified guidelines for number portability, including both fixed number portability (FNP) and mobile number portability (MNP). These guidelines will address issues such as the consideration of cost recovery and service fees, obligations of service providers, implementation procedures, time frames, and dispute resolution. In this regard, the following major activities were accomplished during 2010:

- Developed options based on a benchmark study of number portability to identify best practices, and analyzed their possible adoption in the Kingdom.
- Developed methods and procedures for number portability, and defined suitable tariffs for the service.

- Studied impacts of applying modern technologies such as next generation networks and VoIP on number portability in conformance with the best international practices.
- Studied the possibility and impact of merging the proposed systems for both the mobile and fixed services providers.
- Initiated development of draft guidelines for number portability for both mobile and fixed services.
- Revised and updated the current Number Portability Guidelines.

A public consultation is planned along with the subsequent issuance of the final number portability guidelines.

During 2010, CITC reviewed and resolved 12,163 complaints on number portability.

#### 4.1.14. Saudi Network Information Center (SaudiNIC)

The Saudi Network Information Center (SaudiNIC) continued its activities in registering and administering Saudi domain names on the internet. The center has approved a number of important additions to the services submitted for users utilizing the electronic services portal. These additions will enable users to automatically achieve many objectives and simplify procedures in a highly flexible and speedy manner. In this regard, the following major activities were accomplished during 2010:

- Issued new versions of the rules and regulations for registering domain names (.sa).
- Prepared terms and conditions for using the SaudiNIC electronic services portal.
- Prepared and published regulatory guidelines for selecting domain names for government agencies in the Kingdom.

- Prepared and published a new version of the standards document to identify the relationship between a domain name and the registering party.

#### 4.1.15 Increase Readiness for Transition to IPv6

CITC continued its efforts to increase the Kingdom's readiness for a shift to version 6 of the Internet Protocol (IPv6) in view of the rapid developments in internet use, the large increase in the networks built on the basis of internet protocols, and the depletion of over 90% of the available addresses within version 4 of the Internet Protocol (IPv4) currently in use. IPv6 will provide a significant increase in the number of IP addresses to meet projected present and future requirements. In this regard, the following major activities were accomplished during 2010:

- Upgraded internet services and system infrastructure including servers, networks, and operating systems to be compatible with IPv6.
- Activated access to all internet services supervised by CITC for IPv6.
- Obtained IPv6 IP addresses, particularly for CITC.
- Developed a system to provide connections between users and IPv6.
- Held a workshop on CITC's experience with the application of IPv6.

As a result of CITC's efforts, six agencies obtained IPv6 IP addresses, during 2010, increasing the total to 19 agencies.

## 4.2. Consumer Protection

### 4.2.1. User Complaints

In fulfilling its responsibilities towards protecting consumer rights, CITC handled and resolved 16,033 complaints in 2010 as compared to 9,370 in 2009. Most complaints pertained to billing, annoying calls, service interruptions, quality of service, disconnection of service and mobile number portability (MNP).

## 4. Main Activities and Achievements

### 4.2.2. Violations and Dispute Resolution

CITC Violations Committee considered 1,602 reported violations of the Telecommunications Act in 2010, compared with 1,190 violations in 2009, and issued appropriate decisions in accordance with the applicable statutes. Most violations were related to cable cuts, illegal sale of call services, sales of unlicensed ICT equipment, and illegal prepaid cards, in addition to violations related to telecom licenses terms and conditions.

### 4.2.3. Tariff Regulation of ICT Services

In order to provide a transparent and effective competitive environment, and to protect the interests of both consumers and service providers, a project was launched in 2009 to enhance CITC's tariff regulation procedures into a more effective tariff approval and notification regime. An international benchmark study was undertaken to compare processes and tariff regulation in a selection of comparable countries. The new tariff procedures will conform to best international practices. A public consultation process was conducted, the responses analyzed and amendments were made to the draft proposals for both the tariff regime and ex post competition guidelines. The new tariff regime is expected to be implemented in 2011.

CITC also continued to regulate the service tariffs of STC, the current dominant service provider, and issued required decisions as detailed in Appendix B, also available on the CITC website. These included:

- Decreasing the tariffs for some services including:
- Afaq DSL service
- Filtered internet access service
- Dedicated internet access
- Monthly subscription for Afaq DSL service

- VPN service
- Bravo service packages
- Jawal service package for the business sector
- Broadband Jood Plus service
- Approving tariffs for a number of new services and packages such as:
- Broadband 1 Mbps speed service
- Services of (Max Broadband Jood) and (Max Broadband Jood Plus)
- New Bravo packages (Bravo data 50/Bravo 220)
- New Jawal packages and their added services
- IP-Centrex service for business sector
- Short five and six numbers
- 100 Mbps speed internet service on fiber optics technology

### 4.2.4. Quality of Service

In order to protect consumer rights and to ensure high quality ICT services, CITC conducted a comprehensive review of all the periodic technical reports submitted by service providers. CITC also maintained a continuous review process with the service providers to improve the quality of the services provided by operators. Additionally, CITC carried out field trials to ensure quality of service was maintained during some promotional offers.

### 4.2.5. Internet Services Security Center

The Internet Services Security Center undertook the constant surveillance and management of data filtering systems in the Kingdom in order to filter websites and keep them safe from undesirable content and to protect users. To that end, the following major activities were accomplished in 2010:

- Handled 676,901 requests for blocking and unblocking of sites, as well as requests relating to security.

- Renewed secure access systems for relevant authorities and service providers to the filter management system, and for government systems to CITC systems.
- Studied a number of programs which bypass filtering systems to improve future filtering systems.
- Tested some special applications that will help identify sites used to bypass the filtering system.
- Handled about 175 cases related to penetration of blocked sites.
- Prepared the general policy for filtering websites and their services.
- Issued a new version of the blocking and unblocking procedures.

#### 4.2.6. Anti-SPAM

SPAM continues to be an increasingly burdensome problem and poses a threat to users of ICT services at both national and international levels. SPAM also endangers the future of telecommunications, affecting electronic transactions, data and the security of consumers and business communities. SPAM or junk e-mail also violates people's privacy, and they can be used as tools for promoting pornography, fraud, forgery, deception, misinformation, transfer of viruses and other forms of undesirable content.

CITC developed a draft document describing possible solutions, a plan of action, and launched a dedicated anti-SPAM website for the program ([www.spam.gov.sa](http://www.spam.gov.sa)). The anti-SPAM regulatory framework which includes guidelines for sending and receiving e-mails, the duties and rights of e-mail users, and the tasks and responsibilities of service providers was prepared and is expected to be issued in 2011. CITC also designed control measures to curb e-mail SPAM, detailing measures to regulate outgoing e-mail, the duties and rights of senders and receivers of such e-mails, and documented the responsibilities of licensed service providers in the Kingdom. These control measures were approved and

issued with a CITC decision in 2010.

#### 4.2.7. Technical Specifications for ICT Equipment

Technical specifications are the basis of ICT equipment approval. CITC has prepared and published 91 technical specifications to date covering most ICT applications. CITC continues to update the specifications based on new technologies and international standards. In this regard, the following major activities were accomplished in 2010:

- Conducted a public consultation on the draft document for specifications, including analysis of the responses, and considered suggestions to update the document.
- Completed the update of equipment specifications.
- Trained the work team on applying the updated technical specifications, and on the procedures to be followed.

#### 4.2.8. ICT Equipment Type Approval

This project aims to develop an approval system for ICT equipment. This will be done through the creation of a database for the approved and exempted devices by the CITC, and establishing an electronic portal on the website. The portal will pave the way for the electronic submission of applications for permission to import, customs clearance of ICT devices, web-based application approvals, and interfacing the system to the Saudi Customs Department. This is to keep the Customs department informed of all electronic clearances to enhance system efficiency.

As a result, the equipment type approval system will enable local and foreign agencies to submit applications and obtain approval for equipment electronically from CITC. Additionally, procedures for clearance and approval of ICT

## 4. Main Activities and Achievements

devices will be accomplished entirely electronically. In this regard, the following major activities were accomplished in 2010:

- Prepared a procedure document.
- Prepared a draft blueprint document for the procedures to be followed throughout the creation stage of the system.
- Determined the process for creating and managing the CITC clearance system and linking it with the Customs Department's system.

The system is currently being developed and will be linked with the relevant agencies' systems. An approved blueprint document will be published when the system is established.

### 4.2.9. Supervision of Telecom Services during Ramadan and Hajj

In cooperation with other Government agencies, CITC worked to ensure the provision of high quality ICT services to pilgrims. A CITC task force of specialists was formed to review the performance of licensed service providers in Makkah, Madinah and the Holy Sites during Ramadan and Hajj seasons. Detailed activities are listed in Appendix D-6.

### 4.2.10. Awareness Campaign on Information Security

This program aims at raising awareness on information security at the national level over the next five years. The program contained a broad range of plans and measurement tools that focus on public awareness on information security.

### 4.2.11. Awareness Campaign on Proper Use of ICT

One of the objectives of CITC is to increase public awareness of how to make the best use of ICT services, encourage the spread of digital culture, and to

protect the security and privacy of the users of such services. In this regard, CITC launched its second awareness campaign through different public media channels such as the press, broadcasting, e-mail handouts, the Internet, and roadside advertising billboards. The campaign messages stressed the importance of using the internet, and highlighted potential risks.

### 4.2.12. Awareness Campaign on Electromagnetic Fields

This program aims at raising public awareness about radio frequency electromagnetic fields radiated by mobile phones and base stations, and public perception of this issue. A number of awareness seminars were held on the subject, at different times and places around the Kingdom. A booklet entitled "Facts and misconceptions about radiation from mobile phones and radio base stations" was updated to clarify answers to frequently asked questions on this subject. Efforts were also made to publish news on electromagnetic field radiation, and to respond to press articles on the topic. TV and radio interviews also explained CITC accomplishments and activities in this area on the international stage.

## 4.3. Management of Scarce Resources

### 4.3.1. Spectrum Management and NFP Implementation

The National Frequency Plan (NFP) was prepared by CITC and approved by the Council of Ministers in March 2008. It defines the allocation of frequency bands for different radio services and user categories in order to meet the needs of radio spectrum users in the Kingdom and in line with global best practices. The NFP went into effect on May 7th 2008, with an implementation schedule divided into two, three and five year time frames. CITC continued to follow-up on the NFP implementation with different users of the spectrum, especially with

regard to the evacuation of assigned frequencies that are incompatible with the approved NFP. The following are the percentages of the frequencies that were cleared by the end of 2010.

	Assignment level	% Clearance
<b>Frequencies which must be cleared over two years</b>	Kingdom	28%
	Whole district	19.7%
	Whole city	70.6%
	Specified location	85.3%
<b>Frequencies which must be cleared over three years</b>	Kingdom	0.5%
	Whole district	46.8%
	Whole city	12.4%
	Specified location	7.3%
<b>Frequencies which must be cleared over five years</b>	Kingdom	4.5%
	Whole district	1.7%
	Whole city	16.4%
	Specified location	11%

As shown in the table, there is a significant delay in the execution of the plan compared to the target. This delay was due to the inability of some government agencies to evacuate assigned frequencies when requested to do so. CITC

will continue to follow up on the NFP implementation to encourage spectrum evacuation in line with the time frame adopted in the NFP.

#### 4.3.2. National Numbering Plan

In line with CITC's objective to update the National Numbering Plan to cope with future growth and to provide flexibility to accommodate new technologies and services, an updated draft of the National Numbering Plan was prepared. Public views were sought on this draft in order to come up with a final framework that will be submitted for the CITC Board approval.

In managing the current plan, applications for numbers and symbol domains (such as \* or #) submitted from service providers and some other agencies were evaluated. CITC also coordinated with the International Telecommunication Union (ITU) on radio network identification symbols. Applications for use of SMS codes, for fund raising by ALBER Charity as well as for the Saudi Commission for Tourism and Antiquities (SCTA) in its interactive electronic service offered to its customers, were reviewed. In addition, CITC also reviewed the SMS code application submitted by the Saudi Narcotic Control Agency for use in the national preventive program for students. Similarly, the application by the Royal Commission for Jubail and Yanbu for using a short code (9111) was considered as well as a request submitted by the Ministry of Social Affairs for the allocation of a toll-free number. A number of these requests were approved while discussion will continue on other applications.

#### 4.3.3 Rights of Way and Co-location

In order to encourage market competition and to encourage the expansion of telecommunications networks and associated services, as well as to meet the needs of all operators, CITC prepared draft guidelines for the right to use highways to extend network infrastructure. Similarly, it also prepared guidelines on



## 4. Main Activities *and Achievements*

co-location. A public consultation was conducted and responses were analyzed on these draft guidelines. A benchmarking study on international practice was also conducted in this regard, and a final draft decision was prepared for Board approval in 2011.

### 4.4. Regulatory Environment and Transparency

#### 4.4.1 Review of CITC Regulations

CITC reviewed its Statutes and mandate, especially in view of Kingdom's obligations upon joining the World Trade Organization (WTO) in 2005, and following the transfer of IT and Internet tasks to the Commission. A draft of the proposed changes to the Telecommunications Act was submitted to the Council of Ministers for its review and approval in line with the applicable procedures.

#### 4.4.2. Regulatory Framework Update

CITC continued to update the ICT regulatory framework, in response to sector and market changes and in line with global trends and international best practice. The following major activities were accomplished during 2010:

- Formulated control measures for SPAM.
- Obtained approval for the regulatory framework for Designation of Markets & Dominance in the Telecom Sector.
- Formulated control measures for the regulation of charity fund raising through SMS messages.
- Formulated control measures for the provision of telecommunication services via satellite using Very Small Aperture Terminals (VSAT).
- Reviewed telecommunications regulations, proposed necessary amendments, and submitted them to the relevant agencies for approval.

#### 4.4.3. Public Consultations

Consistent with its established principles of fairness, clarity, transparency and commitment to assist all stakeholders, CITC continued to seek public opinions on key ICT policy issues prior to issuing major decisions. During the year, five key public consultations were conducted as part of the regulatory process. These are listed in Appendix C.

#### 4.4.4. CITC Decisions

CITC continued to issue key regulatory decisions. These decisions included approving proposed tariffs, approving guidelines and regulatory frameworks and implementing Board Resolutions. Thirty-nine such decisions were issued during the year. They are listed in Appendix B, and posted on the CITC website.

#### 4.4.5. ICT Market Performance Indicators

CITC continued to prepare and publish quarterly ICT indicators reports. These indicators also assist CITC in developing its regulatory frameworks and policies, in response to market evolution. The reports include performance indicators including service penetration levels and growth rates. Key summary results are published quarterly on the CITC website and in its newsletter.

#### 4.4.6. A Report on the IT Sector

The Information Technology sector in the Kingdom needs to overcome many obstacles and take advantage of available opportunities in order to develop the sector and to also attract further investment.

Accordingly, in 2009, CITC launched a project to issue an annual report on the status of the information technology sector in the Kingdom to increase public attention on the status of the sector. It also sought to encourage decision makers in public and private agencies to remove any barriers to sector growth and



to the creation of a transparent and a competitive environment that generates sector investment and increases development. This report was prepared, approved and published during the year. In addition, a forum was organized and attended by more than 600 participants to raise awareness on the issues and publication of the IT Report, and to discuss its recommendations and ways to increase stakeholder cooperation in the sector.

#### 4.4.7. Media Activities

CITC recognizes its mission to educate users and the public, to gauge public opinion, and promote investment opportunities in the sector. During the year, a number of activities were undertaken, the details of which are available in Appendix D-5.

## 4.5. Universal Service Fund (USF)

### 4.5.1. Strategic Plan for USF

Following the establishment of the USF, this year has witnessed the completion of the Strategic Plan and its approval by the Fund's Executive Committee. Appointed by the Board, this committee guides the Fund's operations and the enforcement of the universal service policy. It also oversees the implementation of programs and projects for the provision of voice and broadband internet services to underserved regions. The following major activities were accomplished in 2010:

- Reviewed and updated the Fund's databases.
- Conducted a public consultation on the draft strategic plan for the Fund.
- Conducted studies on determining qualified service providers for bidding on implementing the Fund's projects. These studies also include sources of finance and an international benchmarking study on the spread of broadband services.

### 4.5.2. Annual Operational Plans for USF

Based on the goals and strategies that were incorporated in the approved strategic plan of the Fund, the following major activities were accomplished:

- Prepared the annual Operational Plan, including budget requirements, for 2010. The scope of work included a project in nine municipalities within the Northern Border districts of Arar, Rafhaa, Turaif, and all municipalities within Al-Jawf district, Al-Qurrayyat, Domat Al-Jandal, and Skaka. This also includes the municipalities of Al-Dayer, Al-Raith, Al-Darb within the Jizan district. 462 mandatory service locations were included in the plan.
- Prepared the annual Operational Plan II for 2011. The associated budget for 2011 was approved. This plan consists of two projects; one for 2,196 locations, and the other for 318 locations.
- Prepared a scope of work and the required subsidy for the provisioning of telecommunication services in underserved and earthquake-hit areas in Tabuk and Madinah provinces. The budget for this project was also prepared and submitted to the Ministry of Finance for approval.

### 4.5.3. Activities of USF

#### 4.5.3.1. The Exploratory Project (First Project)

This exploratory project of the Universal Service Fund aims at assessing alternative methods for the provision of the Fund's services (i.e. voice and broadband internet services), evaluating technical, financial and administrative options, and measuring quality of service challenges, economic feasibility, market response, service models and technical specifications.

The project scope of work was approved by the executive committee of the Fund and the bidding documents were prepared including request for proposals, technical specifications, scope of work, and the fund agreement document

## 4. Main Activities *and Achievements*

which will be signed by the selected universal service providers. This first project of the Fund was launched in the last quarter of 2009. It also serves as the actual starting date of the Universal Service Fund's programs for universal access to voice and broadband internet services. These services will cover all underserved population settlements in the Al-Mahd municipality in the Madinah province, and the municipalities of Kholais and Al-Kamil in Makkah district. Proposals were received and evaluated. The project was awarded and the fund services agreement was signed with the winning bidder, Etihad Etisalat Company (Mobily) and work commenced during the year.

### **4.5.3.2 The Second Project (Operational Plan I)**

Bidding documents were prepared (Request for proposals, technical specification, and the fund agreement document). Budgets for the Operational Plan I for 2010 were also prepared for the second project of the Fund. Proposals were received and evaluated. The project was awarded and the fund services agreement was signed with the winning bidder, Mobile Telecommunication Company (Zain) and work commenced during the year.

### **4.6. Other Achievements**

In addition to the major activities undertaken and highlighted in this section, CITC carried out many other activities as summarized in Appendix D.





## 5. Studies

The image shows the cover of an annual report. The background is a solid teal color. Several thin, white, curved lines sweep across the page, creating a sense of motion and depth. In the lower right quadrant, the text 'ANNUAL REPORT' is written vertically in white, uppercase letters. A short, thick orange horizontal line is positioned to the right of the text, extending towards the right edge of the page. Below this line, the year '2010' is displayed in a large, white, sans-serif font.

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## 5. Studies

**A number of studies were conducted during the Year 1431/1432H (2010G), the most important of which are as follows:**

### 5.1. ICT Market Study

In 2009, CITC initiated a detailed study of the ICT markets in the Kingdom to measure the effectiveness of CITC policies and regulations in liberalizing ICT markets, to identify any enhancements, and to prepare a comprehensive set of ICT indicators. This year, extensive market surveys and an international benchmarking study were undertaken. A draft report was completed which included a list of key ICT indicators. In this context the following major tasks were accomplished in 2010:

- Developed a set of key ICT indicators for periodic market performance assessment.
- Developed a five-year sector policy action plan to identify regulatory processes which will enhance sector performance as well as identifying any licensing needs and timing.
- Identified developments related to the regulatory environment in the Kingdom.

### 5.2. Carrier Selection

This study aims to assess the feasibility of giving subscribers the ability to select a competing carrier for certain type of calls e.g. international. The study's objectives include conducting a benchmarking study of other countries to identify current best practices. The study progressed well during the year and CITC will be in a position to make a recommendation in 2011 on its application in the Kingdom.

### 5.3. Caller ID

This study evaluated mobile phone applications that show a different number on the called phone using data entered by the caller. Such applications can potentially threaten security and have social implications. CITC conducted a study of these programs, the way they operate, and coordinated with some service providers to obtain their inputs on this trend. The study concluded with specific recommendations to relevant agencies to remove the undesirable impacts of this trend.

### 5.4. Other Studies

In addition to the aforementioned studies, CITC also conducted other studies as shown in Appendix D.



## **6. Accomplishments Compared** *to the Kingdom's Ninth Development Plan*



The image shows the cover of an annual report. The background is a solid teal color. Several thin, white, curved lines of varying radii sweep across the page from the top right towards the bottom left, creating a sense of motion and depth. In the lower right quadrant, the text 'ANNUAL REPORT' is written in a white, sans-serif font, oriented vertically. A short, thick, orange horizontal line is positioned to the right of the text 'ANNUAL REPORT'. To the right of this orange line, the year '2010' is displayed in a large, white, sans-serif font.

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## 6. Accomplishments Compared *to the Kingdom's Ninth Development Plan*

Article 16 of the CITC Ordinance stipulates that “The CITC Governor shall within ninety days, from the start of each fiscal year submit to the Minister an Annual Report, after its approval by the Board. This report should describe the Commission’s accomplishments during the past year compared with the objectives of the general development plan, the difficulties encountered, and the proposals for work improvement and progress. This Report will be submitted by the Minister to the Chairman of the Council of Ministers”.

The following table details the relevant goals of the Ninth Development Plan, for the period 1431/1432 -1435/1436H (2010-2014), and a summary of CITC’s major accomplishments in this regard.

Goals of the Ninth Development Plan	CITC Accomplishments
<p><b>Continue efforts to liberalize and regulate the ICT sector.</b></p>	<ul style="list-style-type: none"> <li>• CITC continued its efforts in promoting competition through issuance of new licenses for a number of services, and cancellation of other licenses. The total number of issued licenses reached 313 by the end of 2010.</li> <li>• CITC continued its efforts in fulfilling its objectives and responsibilities including:               <ul style="list-style-type: none"> <li>o Progressing to complete the procedures for issuance of licenses in the provision of fixed telecommunication services</li> <li>o Developing studies and the necessary regulatory frameworks for the issuance of unified licenses, and resale of telecommunication services</li> <li>o Progressing to complete the procedures for issuance of licenses for rental of surplus telecommunication facilities owned by public utility companies to other licensed service providers</li> </ul> </li> <li>• CITC continued on progress made against commitment of fixed and mobile telecommunication licensees with respect to the network roll out plans and coverage, as described in their proposals submitted to obtain their licenses.</li> </ul>

Goals of the Ninth Development Plan	CITC Accomplishments
<ul style="list-style-type: none"> <li>• <b>Deploy broadband network in all the regions of the Kingdom.</b></li> </ul>	<ul style="list-style-type: none"> <li>• By the end of 2010, number of subscriptions to the broadband services had increased to 3.4 millions, the penetration of broadband service for population reached 12.2%, while the penetration of broadband service for households reached 35%.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Provide broadband and high speed internet networks in all schools, universities, government agencies, and civil society institutions.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Realization of the goals of the Ninth Development Plan, which includes “direction towards the creation of a knowledge economy and an information society”, requires provision of infrastructure such as broadband communication networks. This is required for a broad range of data transfer and high speed internet access at affordable prices, which makes development of broadband services as the cornerstone for the success of the development plan in the Kingdom over the next few years. Therefore, CITC has carried out a number of specialized studies for the ICT sector to ascertain the best ways towards transitioning to a knowledge economy, and identifying major difficulties that hinder the spread of broadband services at the required speed, capacity and quality. In view of the importance of aligning efforts among all relevant agencies; several meetings were held with many government agencies, public institutions, ICT service providers, public and private companies. Initiatives were also taken to address obstacles that hinder the spread of broadband services in the Kingdom, and to facilitate access to these services for all segments of the society. A long-term comprehensive view was drawn up to develop broadband services in the Kingdom and to implement the roadmap of these initiatives upon their approval.</li> </ul>

## 6. Accomplishments Compared to the Kingdom's Ninth Development Plan

Goals of the Ninth Development Plan	CITC Accomplishments
	<ul style="list-style-type: none"><li data-bbox="878 389 2078 628">• The past years have seen a large transformation in service that connects educational, governmental agencies and the civil society institutions to the internet. As a result, in 2010, the broadband network connectivity and access to internet has been achieved for 93% of schools, universities and other educational agencies, and for 80% of the government agencies. However, there is still a need to further enhance the capacity and quality of broadband services at reduced prices. This is an ongoing objective of the Commission.</li><li data-bbox="878 644 2078 884">• The strategic plan of the Universal Service Fund was approved which determined the scope of work for communities where the population is less than 5,000 in each community and which represent 18.2% of total population in the Kingdom. The plan also includes providing voice service to 5,626 localities or 36% of the total 15,428 localities, and broadband connectivity and internet access services to about 98% of all localities. The plan also includes all educational and health care institutions along with other service agencies in these localities.</li></ul>

Goals of the Ninth Development Plan	CITC Accomplishments
<ul style="list-style-type: none"> <li>• <b>Utilize the resources of the Universal Service Fund to provide the essential services.</b></li> </ul>	<ul style="list-style-type: none"> <li>• The exploratory project of the Universal Service Fund was launched, with the aim to provide voice, broadband and internet services to Kholais and Al-Kamil municipalities in Makkah district, and Al-Mahd municipality in Madinah district, and a contract was awarded for the total cost of 50 million Saudi Riyals.</li> <li>• The second project (Operation Plan I for the fund) was launched, with the aim to provide voice, broadband and internet services to all municipalities of Al-Jawf district (Al-Qurrayyat, Domat Al-Jandal, Skaka) and all municipalities of Northern Border district (Arar, Rafhaa, Turaif) in addition to the municipalities of (Al-Dayer, Al-Raith, Al-Darb) in Jizan district, and a contract was awarded for the total cost of almost 40 million Saudi Riyals.</li> <li>• The planning for the projects in the Operation Plan II was completed (third and fourth projects). The third project aims at providing broadband voice and internet services to all the municipalities of Al-Baha district (Al-Aqiq, Al-Baha, Al-Mandag, Al-Mukhwah, Al-Qurah, Belgorashi, Qolwah), municipalities of Asir district (Al-Nammas, Belgarn, Bisha), and Qonfothz municipality in Makkah district. The fourth project aims at providing broadband voice and internet services to the municipalities of Riyadh Province (Al-Majma'ah, Rammah), in addition to the municipalities of Eastern Province (Al-Khafji, Hafr Al-Batin, Olayah village).</li> </ul>

## 6. Accomplishments Compared *to the Kingdom's Ninth Development Plan*

Goals of the Ninth Development Plan	CITC Accomplishments
<ul style="list-style-type: none"> <li>• <b>Manage the frequency spectrum efficiently, enhance its capacity as well as accelerate the implementation of the National Frequency Plan.</b></li> </ul>	<ul style="list-style-type: none"> <li>• CITC continued to follow up on the implementation of the National Frequency Plan (NFP). CITC has requested all agencies that are having frequency allocations which are incompatible with the NFP to clear these frequencies within a time limit approved in the plan. (See paragraph (4.3.1) and Appendix (D) of this report).</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Continue to develop ICT equipment type approval procedures and update the standards.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Completed updating of type approval of ICT device specifications.</li> <li>• Trained a work team on the application of updated technical specifications and on the mechanism which will be used to update technical specifications in the future.</li> <li>• Commenced work on the development of a clearance system for ICT devices. This was done through the creation of a database for approved devices and the establishment of a portal on CITC website through which applications for permission to import, customs clearance of ICT devices can be electronically submitted and processed. The system is also linked to the Department of Saudi Customs.</li> </ul>

Goals of the Ninth Development Plan	CITC Accomplishments
<ul style="list-style-type: none"> <li>• <b>Provide various incentives to attract foreign direct investments in the information technology industry.</b></li> </ul>	<ul style="list-style-type: none"> <li>• CITC sought to attract foreign investments by carrying out periodic studies on the telecommunication markets in the Kingdom. These studies will illustrate all indicators related to these markets and which are of interest to both the local and international investors, and published all information about these studies on the CITC website and updated them on regular basis. The most important information for investors is penetration of mobile and fixed communication services, broadband in the Kingdom, and data on imports and investments related to the sector.</li> <li>• During 2010, CITC issued its first annual report on status of the IT sector in the Kingdom as a means to alert the public on the status of the sector. The IT Report will also urge the decision makers in both the public and private agencies to remove impediments that hinder growth and to create a transparent and a competitive environment that will attract investment and lead to its development. This report was completed and approved in 2010. A seminar was organized to raise awareness of the topics and the recommendations contained in the report. It also discussed its conclusions and operation methods among the stakeholders of the IT sector.</li> <li>• CITC, through the National Center for Information Security Guidance, sought to promote web security and provide a healthy environment which will attract and underpin foreign investments in information technology in the Kingdom.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Develop the capacity of companies and business institutions and increase their IT usage.</b></li> </ul>	<ul style="list-style-type: none"> <li>• CITC carried out a detailed study and a field survey on public and private facilities. The outcome of the study appeared in the IT report published in 2010. The report outlined the growth and the investment opportunities available in the IT sector, and identified skill gaps and employment opportunities in the sector. This provides stakeholders in the public and private sectors with basic data that will support company efforts to enhance their employment and training capacities as well as indirect investment by expanding the capabilities of company and business institutions.</li> </ul>



## 7. **Work** *for 2011*



The image shows the cover of an annual report. The background is a solid blue color. Overlaid on this are several thin, white, curved lines that sweep across the page, creating a sense of motion and modern design. In the lower right quadrant, the text 'ANNUAL REPORT' is written vertically in white, uppercase letters. Below this text is a short, thick orange horizontal bar. To the right of this bar, the year '2010' is displayed in a large, white, sans-serif font.

ANNUAL REPORT

2010

## 7. Work for 2011

**CITC will continue to carry out its duties and responsibilities, God willing, and intends to implement a number of programs and projects during the 2011 fiscal year. Some of the significant planned programs and activities include the following:**

- Complete the requirements to issue the remaining two fixed telecommunications licenses.
- Complete major sections of the unified licensing and resale project.
- Complete the study for approval of licensing fees for the rental of carrier telecommunication facilities.
- Finalize the licensing for digital authentication services.
- Update the Reference Interconnection Offer (RIO).
- Develop a regulatory framework on the Rights of Way for network infrastructure.
- Develop a review process for Mergers, Acquisitions and Bankruptcies.
- Continue to regulate tariffs of telecom services and complete the update of tariff regulation procedures.
- Update the accounting separation policy.
- Progress the broadband initiatives project.
- Complete the international internet exchange points (IIXP) project.
- Complete the guidelines and the regulatory framework for rights of way and co-location.
- Update the interconnection guidelines.
- Complete and update the National Numbering Plan.
- Complete the guidelines for Number Portability for both fixed and mobile services.
- Complete the assessment of the application of carrier selection in the Kingdom.
- Continue to monitor the quality of ICT services.
- Update the Numbering Management System.
- Finalize the implementation of the web-based system for clearing and ap-

- proving ICT equipment.
- Follow up on the implementation of the National Frequency Plan.
  - Issue the second annual report on the status of the IT sector in the Kingdom.
  - Continue promoting the awareness program on information security.
  - Follow up on the transition to IPv6.
  - Continue with activities related to internet filtering and development of domain name registration.
  - Complete the internet development plan.
  - Complete the review of CITC Statutes and develop amendments for approval.
  - Continue working on the establishment of the CITC headquarters building.
  - Complete the first two USF projects (Pilot project, and the first Operation Plan) and monitor their implementation.
- Complete the bidding process for Operational Plan II of the Universal Service Fund, evaluating the bids and awarding of contracts.
  - Prepare the scope of work and associated budget for the Universal Service Fund (related to Operational Plan III) for fiscal year 2012.
  - Update the Universal Service Fund database according to the 2010 census of population and housing.
  - Review the results of studies and recommendations on the Universal Service policy and rights for universal access and universal service.
  - Review and update the USF market study.
  - Prepare a study on revising licensing fees as applied to licensed service providers.



## Appendixes

The image shows the cover of an annual report. It features a solid blue background with several thin, white, curved lines that sweep across the page, creating a sense of motion and modern design. The text 'ANNUAL REPORT' is positioned vertically in the center-right area, with a short orange horizontal line extending from its base. To the right of this line, the year '2010' is displayed in a large, white, sans-serif font.

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# Appendixes

## Appendix A: Board of Directors Decisions

**The Board held seven meetings in 2010. The major decisions taken during the year include:**

- Approval of the regulatory framework for market definition, designation and dominance in the telecom sector.
- Approval of a Class (B) Carrier Service Provider (CSP) license for leasing of communications facilities for duration of 10 years, which can be renewed for a similar period.
- Approval of fixed and mobile facility based licensees to permit participate in Universal Service Fund Projects.
- Approval of provision of a line to deal promptly with emergencies for children under the age of eighteen, and to provide immediate advice to them or to their families at no cost.
- Decision on STC's billing problems, for credit limits and on all complaints submitted to them, for responses within three months in accordance with CITC Statutes, especially as per paragraph 10 of Article 66 of the Bylaw.
- Decision on the two companies selected to provide fixed services, and requiring CITC to address the deadlock issues with the appropriate authorities, in order to complete the issuance of new fixed licenses.
- Approval of the CITC budget for the 2011 fiscal year.
- Approval of CITC estimated revenues in the draft budget for the 2011 fiscal year.
- Approval of the budget for the National Committee for Information Society for the 2011 fiscal year.
- Approval of the Universal Service Fund (USF) budget for the 2011 fiscal year.
- Approval of the final accounts for the CITC and the National Committee for Information Society for the 2008 fiscal year.
- Approval of the final accounts for the Universal Service Fund (USF) for the 2009 fiscal year.
- Approval of the request of the Emirates Telecommunications Corporation to buy shares in Etihad Etisalat "Mobily".
- Approval of the amendment to Articles 37 and 38 of the Telecom Act and the addition of new articles.

## Appendix B: CITC Decisions

Decision #	Date	Subject
252/1431	2/3/1431	Approval of (Basic Service ) Marhaba from Alhatif for Outgoing Calls Only
253/1431	2/3/1431	Approval of Amendment of (Business Jawal Plans ) Tariff from Aljawal
254/1431	3/3/1431	Approval of (Global Control) Prepaid Global Roaming from Alhatif
255/1431	3/3/1431	Approval of The New (Entry Level Broadband) Service from Alhatif
256/1431	6/4/1431	Cancellation of the designation of STC as a Universal Service Provider
257/1431	6/4/1431	Services of the Universal Service Fund
258/1431	21/4/1431	Universal Service Fund Services Tariff
259/1431	12/4/1431	Approval of SPAM Reduction Regulation
260/1431	11/5/1431	Approval of New Sawa Pre-paid Plan
261/1431	18/6/1431	Directive to STC regarding RODA Document
262/1431	7/7/1431	Approval of High Speed (100Mb/s) Fiber-based Internet Service
263/1431	7/7/1431	Approval of Amendment of Afaq DSL Service Tariff
265/1431	10/7/1431	Approval of Tariff Reduction of Corporate Dedicated Internet Access (DIA)
266/1431	24/7/1431	Approval of Limited Digit Numbers Tariff
268/1431	13/8/1431	Approval of Corporate IP-Centrex Service
269/1431	29/8/1431	Approval of Tariff of New Jawal Plans
270/1431	4/9/1431	Approval of Amendment of Bravo Service Plans of the Trunked Radio System (iDEN)

## 8. Appendixes

Decision #	Date	Subject
271/1431	18/9/1431	Approval of the publication of the Regulatory Framework Document related to Designation of Markets and Dominance in the Telecom Sector
272/1431	26/9/1431	Approval of Tariff Amendment of Corporate International IP-VPN
273/1431	26/9/1431	Approval of Corporate International L2 VPN Tariff
274/1431	12/10/1431	Designation of telecommunications markets as competitive and not subject to dominance
275/1431	12/10/1431	Designation of Saudi Telecommunications Company (STC) as a dominant service provider in the retail fixed access services market
276/1431	12/10/1431	Designation of STC as a dominant service provider in the retail local and national fixed voice call services market
277/1431	12/10/1431	Designation of STC as a dominant service provider in the retail business data services at fixed locations market
278/1431	12/10/1431	Designation of STC as a dominant service provider in the retail Internet access services market
279/1431	12/10/1431	Designation of STC and Etihad Atheeb Telecommunications Company (GO) as dominant service providers in the wholesale fixed voice call termination services market
280/1431	12/10/1431	Designation of STC as a dominant service provider in the wholesale transit interconnection services market.
281/1431	12/10/1431	Designation of STC as a dominant service provider in the wholesale broadband access services market.
282/1431	12/10/1431	Designation of STC as a dominant service provider in the wholesale leased lines and managed network transmission services market
283/1431	12/10/1431	Designation of STC, Etihad Etisalat Company (Mobily) and Saudi Mobile Telecommunications Company (Zain) as dominant service providers in the wholesale mobile call termination services market
284/1431	12/10/1431	Designation of STC as a dominant service provider in the wholesale fixed voice call origination services market.
285/1431	5/11/1431	Approval of Micro Internet Package Service Tariff from Aljawal
286/1431	5/11/1431	Approval of Bravo New Service (Bravo Paging) Tariff, of the Trunked Radio System (iDEN Services)



Decision #	Date	Subject
287/1431	11/11/1431	Approval of Sawa International Pre-paid Plan from Aljawal
288/1431	11/11/1431	Approval of New Bravo Plans (Bravo Data 50/Bravo 220), of the Trunked Radio System (iDEN Services)
289/1431	11/11/1431	Approval of Pre-paid Video Calls Off-net Service Tariff from Aljawal
291/1431	26/11/1431	Approval of Tariff Amendment of Corporate FDIIA Plus
292/1431	26/11/1431	Approval of Tariff Reduction of Afaq DSL Service from Alhatif
293/1431	26/11/1431	Approval of MAX Broadband Jood and MAX Broadband Jood Plus Tariff from Alhatif
294/1431	26/11/1431	Approval of Broadband Jood (1M) Tariff from Alhatif
296/1431	21/12/1431	Approval of Bravo Notification Service Tariff of the Trunked Radio System (iDEN)
297/1431	21/12/1431	Approval of Bravo Voice SMS Service Tariff of the Trunked Radio System (iDEN)
299/1432	9/1/1432	Approval of Corporate Golden Bulk SMS Messages Tariff
300/1432	19/1/1432	Approval of Amendment of Business Jawal Plans Tariff

## Appendix C: Public Consultations

	Public Notice #	Date	Subject
1	1/1431H	10/4/2010G	Mergers, Acquisitions and Bankruptcy Review Process for the ICT Sector
2	2/1431H	14/6/2010G	Tariff Approval and Notification Regime
3	3/1431H	23/6/2010G	Accounting Separation Regulatory Framework and Guidelines
4	4/1431H	2/10/2010G	Assessment of the Establishment of International Internet Exchange Points (IXPs) in the Kingdom of Saudi Arabia
5	1/1432H	18/12/2010G	National Numbering Plan for the Kingdom of Saudi Arabia - Version 2.0

# Appendixes

## Appendix D: Other Activities and Achievements

In addition to the major activities described in Section 6 of this report; CITC undertook other activities, including:

### D.1. Spectrum Management

- Allocated over 5,000 frequencies and registered some with the ITU for protection from harmful interferences.
- Cancelled over 4,900 assigned frequencies.
- Issued and renewed around 2,000 licenses for radio equipment, maritime wireless systems, amateur radio stations, and aeronautical navigation services.
- Calibrated over 300 devices and repaired over 60 devices for managing frequency spectrum, and carried out technical measurements on over 300 wireless devices.
- Conducted technical inspection on 1,300 wireless devices and 1,400 spare parts.
- Studied over 40 licensing applications for wireless devices.
- Monitored over 3,500 transmissions from neighboring countries for interference and resolved issues with their cooperation.
- Coordinated over 200 applications to use frequencies during visits of official personalities to the Kingdom or by international ships during their presence in Kingdom's territorial waters.
- Coordinated over 600 satellite frequency assignments for ARABSAT and other Saudi satellites.
- Studied and acted on over 30 applications to coordinate allocation of frequencies between the Kingdom and the GCC countries.
- Monitored over 150,000 frequencies in order to identify illegal use of fre-

quencies that causes interference.

- Conducted measurements on over 7,000 assigned frequencies to verify their compliance with license conditions.
- Monitored over 35,000 illegal frequencies and addressed them with the concerned agencies to control these devices.
- Studied and handled over 300 reports on interference in the Kingdom.
- Monitored over 112,200 frequencies for safety purposes relating to the protection of human life and property or for harmful interference.
- Study of International Telecommunication Union bulletins, technical information on satellite frequencies, or ground services in other nations or regional and international organizations, and liaise with them.
- Developed an electronic system for frequency assignment via the internet.
- Interfaced the tariff calculating system with the ERP system to issue invoices and to automatically renew frequency assignments.

### D.2. Communication and Information Technology Equipment and Devices

- Studied almost 700 applications for the approval of ICT devices.
- Cleared over 6,000 applications from Customs and importing companies.
- Responded to over 1,300 enquiries on technical standards.

### D.3. Technical Support and Advice to Government and External Agencies

- Undertook discussions on some technical aspects of numbering, quality of service, human exposure to radio electromagnetic radiation, and on rights of way with the telecom regulatory authority of the UAE.
- Provided CITC views on ITU recommendations and completed ICT questionnaires.

- Provided views on the International EMF Project for the World Health Organization.
- Participated in the studies prepared by AREGNET including studies on the development of broadband and internet services.
- Conducted field measurements on several wireless base stations throughout the Kingdom through an agreement signed with the national academic agencies. All measurements taken to date show that radiation emitted from the antennas of the service providers are hundreds of times lower than the allowable levels in international standards.
- Provided support to several government agencies that have suffered from technical problems with telecommunication services including the Ministry of Social Affairs, and the national family safety program of the health affairs department of the National Guard.
- Provided support to the General Directorate of Civil Defense for the transmission of warning messages to pilgrims during the 2010 Hajj season through coordination with mobile telecommunication service providers and conducting successful tests.
- Participated on the permanent committee for response to radiation and nuclear emergencies.
- Conducted field measurements on the level of wireless signals at key air bases in the Eastern and Western provinces.
- Provided support to the General Presidency of the Holy Mosques on several aspects related to ICT.
- Participated on the government committee to develop criteria for connecting services (such as telecommunications) to subdivision housing plans for land grants designated for residential housing.
- Participated in the special government committee engaged in studying and recommending extension of building height.
- Participated in the Central Committee for Coordination chaired by the Ministry of Municipal and Rural Affairs and consisting of members from several government agencies. This committee's mission includes designing criteria and technical specifications for public utility projects, and reviewing priorities for new cities. The objective also includes a study on a proposal to construct common rights of way in new subdivisions to cover all services. Findings will be presented to the King.
- Participated in the committee to oversee an update of municipal and technical controls over the establishment of commercial wireless facilities.
- Participated in the committee to install telecommunication equipment and antennas by service providers in holy places.
- Provided support to implement indoor mobile telecommunications service coverage in the Holy Mosque and its extensions.
- Provided support to the Ministry of Interior and conducted a number of technical studies related to mobile, fixed phone, and data services.
- Coordinated with stakeholders on the possibility of determining sites for use by emergency services.
- Participated in addressing reports received by security agencies, and proposed technical and regulatory solutions to reduce any issues.
- Participated in setting up controls necessary for protecting ships, oil facilities, and telecom cables against any terrorist actions by small boats.
- Participated in the review committee concerned with national security. CITC also chairs the national committee on the information society.
- Participated in the CITC study on encryption and evaluated relevant studies on this topic.
- Provided support and advice on the enhancement of wire and wireless telecommunications provided to the Saudi Red Crescent Society.

# Appendixes

## D.4. Technical Support to the Telecommunication Service Providers

- Studied the reliability and robustness of service provider networks and their plans for notification, reporting and restoring affected services.
- Followed-up on the application of the national guidelines document on human exposure to radio frequency electromagnetic fields.
- Studied technical issues related to the Blackberry Messenger service to ensure fulfillment of regulatory obligations.

## D.5. Media Activities and Events

- Participated in a number of conferences, forums, and exhibitions at local, regional, and international level (Appendix F).
- Organized and participated in many local and regional festivals.
- Organized and participated in the Gitex Exhibition, Riyadh.
- Held a number of specialized workshops and seminars such as the Information Technology Forum (Challenges and opportunities to develop information technology in the Kingdom of Saudi Arabia).
- Issued many press releases and publications related to the ICT sector.
- Interacted with various local and foreign media through interviews, press and TV meetings with senior officials of CITC.
- Launched the second campaign to raise awareness on the importance of using the internet and to avoid misuse of the internet.
- Issued a daily press briefing containing news and matters published in the media and internet related to CITC and the ICT sector.
- Launched a quarterly electronic bulletin containing key indicators and statistics on the ICT sector in the Kingdom.
- Issued a monthly report measuring references to CITC in the media.
- Issued a media report documenting all press releases.
- Responded to public inquiries.

- Issued various publications on CITC regulations and studies.
- Launched a quarterly electronic bulletin to monitor ICT statistics.
- Communicated regularly with the employees on CITC activities.

## D.6. Supervision of Telecom Services during Ramadan and Hajj, 2010

- Monitored performance of public telecommunications services during Ramadan and Hajj in Makkah and Madinah.
- Monitored radio spectrum performance around the Holy Mosque and Hajj areas to protect against harmful interference.
- Coordinated activities of government agencies and the service providers to ensure compliance with relevant Hajj regulations.
- Conducted field inspections of service providers' sites and network performance.
- Conducted visits to some government agencies and pilgrim compounds to evaluate their telecom services, especially at peak times.
- CITC put in place a procedure, in collaboration with mobile service providers and the Civil Defense Department, to transmit warning messages via SMS for emergencies.
- Coordinated the availability of technicians with STC for round the clock coverage in some significant and sensitive locations, to provide troubleshooting and immediate solutions to any breakdowns of land-line phones and related telecom devices.
- Supported the mobile networks of the service providers to cope with the major rise in traffic. The following was accomplished:
- STC installed and operated 72 new base stations. It increased both the international circuit capacity by 6.5% and international roaming capacity by 10%
- Mobily installed and operated 100 new base stations and increased their

international circuit capacity

- Zain increased its network capacity to accommodate an additional 2.9 million subscribers as well as increased their international circuit capacity
- Supported the availability of efficient and high-quality mobile services. There were no breakdowns or severe disruptions in the mobile networks at Hajj sites or with international transit. The mobile national traffic of the service providers increased between 15% to 70% while the international call traffic increased by about 30%.
- Responded to user complaints and provided swift resolutions.

#### **D.7. Universal Service Fund (USF) Activities**

- Created and updated the database for complaints relating to the provision of service, and followed-up over their resolution.
- Updated the information center, geographical maps of provinces and the database for the Fund.
- Operated the USF, starting from the General State budget release date for the 2010 fiscal year.
- Prepared a study for the ICT sector in the Kingdom aimed at estimating the need for universal access and universal service in the Kingdom. The study included future directions and potential approaches, taking into account economic, social, cultural, and technical developments.
- Prepared and received approval for the Fund budget (for Operations Plan II) for the 2011 fiscal year.
- Adopted the budget of the Fund (for Operations Plan II) for 2011.
- Prepared the final accounts of the Fund for the 2010 fiscal year.

#### **D.8. Other Miscellaneous Activities**

- Developed technical solutions, and conducted tests, to disable the blocking

feature of caller's number on the foreign SIMs which uses local networks. CITC will follow up on the implementation phase.

- Updated numbers related to emergency operations of the mobile operators and coordinated with the mobile operators to ensure uninterrupted communication.
- Studied quality of service in the customer care centers of the mobile service operators.
- Investigated internet network speed claims of mobile operators .
- Updated the brochure detailing facts and misconceptions about wireless electromagnetic waves emitted from mobile phones and radio base stations.
- Studied the optimal ways to update, operate, and maintain coastal stations.
- Conducted a study to equip a laboratory to undertake compliance testing of ICT devices.
- Prepared a study on the use of carrier selection.

# Appendixes

## Appendix E: Participation in Meetings & Conferences

Participated in many Local, Regional and International meetings and conferences, including:

### E.1. Local Participation

1. Fourth Arab Conference for Industrial Information and Networks, Riyadh, 20-22 December 2009.
2. IT crimes Symposium, Jeddah, 28 December 2009.
3. Extraordinary and second meeting of the Steering Committee for Communications and Information Technology, Riyadh, 5-6 Jan 2010, and 26-28 April 2010.
4. Seminar on "Cloud Computing", Dammam, 17 January 2010.
5. Workshop on "Ground Transportation Vehicle Tracking Systems", Dammam, 25 January 2010.
6. Second Meeting of the "Innovative Research for Business Sector Program", Riyadh, 6-7 February 2010.
7. Eighth Meeting of the ICT Legislation and Regulation Committee, Riyadh, 21-22 February 2010. [Official Representation]
8. Workshop on "Knowledge Economic City (KEC) Project", Almadinah, 3 March 2010.
9. Workshop on "LTE technology", Dammam, 3 March 2010.
10. Workshop on "Executive Leadership for Information Technology", Riyadh, 13-15 March 2010.
11. Fifth Forum of the "Electronic Services in the Eastern Province", Khobar, 23-24 March 2010.
12. Ceremony honoring the winners of the "Talent for Creativity Award", Jazan, 3 April 2010.
13. Leadership for the Future Seminar, Dammam, 1 May 2010.

14. Workshop on "Mobile broadband", Riyadh, 2 May 2010.
15. Innovation Exhibition, Jeddah, 23-27 May 2010.
16. Career Day and IT Crimes workshop, Dammam, 16-20 May 2010.
17. Global Alliance to accelerate the achievement of the Millennium Development Goals, Riyadh, 14-15 June 2010.

### E.2. Regional Participation

1. Meetings of the Gulf Cooperation Council (GCC) [Official Representation]:
  - Joint Meeting between the European and the Gulf States, Riyadh, 9-10 February 2010.
  - Radio Interference Meeting, Bahrain, 14-15 March 2010.
  - Thirtieth Meeting of the Technical Committee of the Office of the Telecommunications Technical Cooperation Council, Doha, 7-8 April 2010.
  - Gulf Conference on "Creating a National Consensus", Bahrain, 26-28 April 2010.
  - Coordination Meeting between the Representatives of the Gulf States and U.S. Department of Defense, Bahrain, 11-12 May 2010.
  - Gulf Cooperation Council Meeting, Kuwait, 6-8 June 2010.
  - Meeting on Radio Interference in the Eastern Province, Bahrain, 19-20 October 2010.
  - Preparatory Meeting of the World Radio Conference - 2012 Gulf Cooperation Council, Bahrain, 8-9 November 2010.
2. Meetings of the League of Arab States: [official representation]:
  - Arab Preparatory Meeting for the World Conference for the Development of Telecommunication, Damascus, 17-19 January 2010.
  - Meeting of the Steering Committee of the upper ranges of Arab public, Cairo, 24-26 January 2010.

- The Ninth and Tenth Meetings of the Operating Committee and Tariff, Riyadh, 25-27 January 2010, and 18-19 April 2010.
  - Thirteenth Meeting of the Permanent Arab Team for Spectrum, Tunis, 1-6 March 2010.
  - Meeting of the Arab Team for Operation to and Tariff, Cairo, 14-16 March 2010.
  - Coordination Meetings between Saudi Arabia, Qatar and Bahrain and between Saudi Arabia and Egypt on “FM Radio Channels”, 21-22 March 2010 and 29-30 March 2010.
  - Working group meeting international roaming prices, Riyadh, 22-24 March 2010.
  - The Ninth and Tenth Meetings of the Arab Working Group for Domain Names and Internet, Cairo, 28-30 March 2010 and 15-18 July 2010.
  - Review the Required Amendments to the Coordination Mechanism meeting, Cairo, 30 March-1 April 2010.
  - Meeting of the Group on a draft of broadband services and the Internet, Sharm Alsheikh, 20 April 2010.
  - Meeting of Regional Negotiations to Liberalize Trade Services between the Arab States, Cairo, 27-28 April 2010.
  - Meeting of the Permanent Arab Committee for Communications, Cairo, 3-6 May 2010.
  - Council of Arab Ministers of Communications, Yemen, 30 June-1 July 2010.
  - The fifth Meeting of the Arab Top Level Domain Steering Committee, Lebanon, 12-14 July 2010.
  - Arab Meeting for the preparation of the ITU Plenipotentiary Meeting, Syria, 19-22 July 2010.
  - Sixth Meeting of the Preparatory Committee, Cairo, 26-29 September 2010.
  - Workshop on Domain Names and submit presentation on “The Experience of the Kingdom in the Arabic Domain”.
  - The 20th meeting of the Arab Working Group for Operation and Tariff, Cairo, 1-3 November 2010.
  - The Fourteenth Meeting of the Permanent Arab Team for Spectrum, Lebanon, 28 Nov-2 December 2010.
3. ITU Arab Regional Office of the International Telecommunication Union:
    - Regional Workshop on 4G Networks, Tunis 27-29 January 2010.
    - Fourth Meeting of the Arab Center of Excellence Steering Committee, Tunis, 10-11 November 2010.
  4. Bahrain Campaign for Online Safety, Bahrain 19-20 January 2010.
  5. Conference on “Environmental Impacts of Radio Communication Networks”.
  6. Cairo International Book Fair, Cairo, 28 Jan-10 February 2010.
  7. Cairo International Fair for Communications and Information Technology, Cairo, 6-10 February 2010.
  8. Symposiums on Digital Culture and Incentives to Promote Basic Broadband, Doha, 9-10 February 2010.
  9. Second Arab Conference on Human Resource Development, Amman, 21-23 February 2010.
  10. The Provision of Broadband Networks in all parts of the World, Bahrain, 22-23 February 2010.
  11. Symposium of young people in cyber space legal protection and moral boundaries, Tunis, 25-26 February 2010.
  12. Regional Conference for Amateur Radio, Doha, 4-6 April 2010.
  13. Number Portability Middle East Workshop, Doha, 18-20 April 2010.
  14. Gallery Gulf BID, Bahrain, 4-6 May 2010.
  15. Interconnection Problems Seminar, Morocco, 10-12 May 2010.



# Appendixes

16. ESCWA Workshop, Lebanon, 25-27 May 2010.
17. Conference on Human Resources Planning and Preparation of Training Budgets, and Measuring the Income, Cairo, 30 May-3 June 2010.
18. Panel Discussion on Convergence between Telecommunications and Media, Jordan, 7-8 June 2010.
19. Workshop on “Computer Emergency Centers of the Organization of Islamic Conference”, Cairo, 8-10 June 2010.
20. Annual Meeting of the Arab Network for ICT Regulators, Sudan, 23-26 June 2010.
21. Seminar on “Human Resources in the Face of New Challenges”, Morocco, 27 June-2 July 2010.
22. Workshop on “ICT Indicators and Capacity-Building Project, Amman, 25-26 September 2010.
23. GITEX 2010, Dubai, 17-21 October 2010.
24. Fifth International Conference on Communications and climate change, Cairo, 2-3 November 2010.

### E.3. International Participation

1. Meetings of the International Telecommunication Union (ITU) [official representation]:
  - Working party WP-1B Meeting; Working party WP-1A Meeting; and RG Special Meeting of the Group of the Working Group WP1C, Geneva, 1-10 February 2010.
  - Sixteenth Meeting of the WSIS Board working Team Geneva, 2-4 February 2010.
  - Seventeenth Meeting of the Consultative Group on Communications, Geneva, 17-19 February 2010.

- Study Group of the Fifth Systems IMT (WP5D), Italy, 17-24 Feb 2010.
  - ITU IPv6 Group First Meeting, Geneva, 15-16 March 2010.
  - Working Group 4A Meeting, Geneva, 24 March-1 April 2010.
  - ITU Council, Geneva, 13-22 April 2010.
  - Meeting of the Joint Task Group, Geneva, 30 April-7 May 2010.
  - 2nd annual human capital management Forum, UAE, 24-26 May 2010.
  - ITU World Telecommunication Development Conferences, India, 24 May - 4 June 2010.
  - Meeting of the working group WP1C, Germany, 3-9 June 2010.
  - 17th Meeting of the ITU Council Working Group, and 4th Meeting of the Ad Hoc Group meeting, Geneva, 17-25 June 2010, and Working Group wp1b Spectrum Management Methodologies Meeting, Geneva, 21-28 June 2010. Working Group 4A Meeting, Geneva, 7-15 July 2010. SG1 WP1C Meeting Geneva and Amsterdam, 27 September-6 October 2010.
  - ITU Plenipotentiary Conference, Mexico, 2-22 October 2010.
  - 2nd Meeting of ITU Study Group, Geneva, 17-26 October 2010.
  - Meeting of the ITU Special Committee for Regulations and Procedures, Geneva, 1-5 November 2010.
  - Global Symposium for Regulators and Industry leaders Forum, Senegal, 9-12 November 2010.
  - 8th World Telecommunication Indicators and Information Technology Meeting, Geneva, 24-26 November 2010.
  - ITU WRS 2010 Seminar, Geneva, 6-10 December 2010.
  - 5th Study Group Meeting on Environment and Climate Change, Geneva, 23 Nov- 1 December 2010.
2. Interconnection World Forum, London, 26-27 January 2010.
  3. Asian Pacific Regional Internet Conference on Operational Technologies, Malaysia, 1-5 March 2010.



4. CeBIT, Germany, 2-6 March 2010.
5. Telecom Regulation forum 2010, London, 22-25 March 2010.
6. Sixth Meeting of the Intergovernmental Council for Information, Paris, 24 March-1 April 2010.
7. Cisco network, Bahrain, 28 March-1 April 2010.
8. Future Internet Assembly, Spain, 14-16 April 2010.
9. Future networks including mobile and NGN, Geneva, 19-30 April 2010.
10. IFTDO world conference, London, 20-22 April 2010.
11. LTE forum 2010, Sweden, 27-28 April 2010.
12. Honey net project annual meeting, Mexico, 27 April-1 May 2010.
13. Forum of the World Summit on the Information Society, Geneva, 10-14 May 2010.
14. Communication and Competition Conference, Spain, 17-18 May 2010.
15. The third session of the Committee of Science and Technology to the reluctance of development, Geneva, 17-21 May 2010.
16. LTE World Summit 2010, Amsterdam, 18-21 May 2010.
17. Meeting of the International EMF Project, France, 24-29 May 2010.
18. TETRA World Congress, Singapore, 25-27 May 2010.
19. International Communication Exhibition, Singapore, 15-18 June 2010.
20. Arab Domain Name Project Workshop, Geneva, 16-18 June 2010.
21. LS Telecom User Group Conference and LS Summit and Maintenance Training, Germany, 21-24 June 2010.
22. 11th Telecom Regulation and Competition law Conference, Belgium, 22-23 June 2010.
23. International Symposium on Statistical, South Korea, 19-25 July 2010.
24. Conference of the International Congress of Computers, Australia, 18-24 September 2010.
25. 4G Communications Conference, USA, 19-22 September 2010.
26. Meeting on the Draft Regulation and the Regulatory system for Audio-Visual Media, London, 4-8 October 2010 and France, 27 October 2010.
27. XII International Space Control Meeting, Japan, 16-19 October 2010.
28. International Conference of the Broadband Range, France, 26-28 October 2010.
29. Annual General Meeting No. 74 of the International Electrotechnical, USA, 27 October-3 November 2010.
30. Annual Conference of the Emergency Centers of the Organization of Islamic Conference, Malaysia, 28-30 October 2010.
31. Preview of Generators, for the New CITC Building, London, 7-10 November 2010.
32. Conference on International Accounting, Malaysia, 8-11 November 2010.
33. Annual CIPD Conference on Human Resources, London, 9-12 November 2010.
34. Follow-up on International Developments on Wave Propagation, Italy, 10-19 November 2010.
35. Number Portability Conference, Australia, 20-22 November 2010.

# Appendixes

## Appendix F: Licenses Issued

### Total Number of Licensees by Year

Service	2004	2005	2006	2007	2008	2009	2010
Fixed Telecom Service	1	1	1	1	1	2	2
Mobile Service	2	2	2	2	3	3	3
Data Communications	2	2	2	2	2	2	2
Internet Service	23	27	47	64	53	57	56
VSAT	5	5	7	13	14	16	18
GMPCS Service	2	2	3	3	3	3	3
Internet Aeronautical Service	1	1	1	1	1	1	1
Mobile Aeronautical Service	---	---	1	2	1	2	2
Automated Vehicle Location	6	19	24	33	26	28	44
Bulk SMS Service	6	38	92	122	135	143	137
Audio Text (700) Service	---	21	26	24	24	15	14
Call Center Service	---	4	7	11	10	8	11
Electronic Wallet Service	---	2	2	5	5	6	5
Mobile Recharging Card Service	--	1	4	4	4	3	5
Network Control & Management	---	2	3	4	3	4	4
Automatic Calling	---	---	---	1	-	-	-
Telecom Hotel	---	---	---	1	3	5	6
Interactive Voice Messaging	---	---	---	---	1	-	-
<b>TOTAL</b>	<b>49</b>	<b>128</b>	<b>223</b>	<b>294</b>	<b>290</b>	<b>298</b>	<b>313</b>

License Type: Fixed Telecom Services		2 Licenses
1	Saudi Telecom Company (STC)	
2	Etihad Atheeb Telecom	
License Type: Mobile Telecom Services		3 Licenses
1	Saudi Telecom Company (STC)	
2	Etihad Etisalat Company (Mobily)	
3	MTC Saudi Arabia (Zain)	
License Type: Data Service Providers (DSP)		2 Licenses
1	Bayanat Al-Oula for Network Services	
2	Integrated Telecom Co. Ltd.	
License Type: Internet Services Provider (ISP)		56 Licenses
1	Middle East Internet Co. Ltd. (Cyberia)	
2	MTC Saudi Arabia (Zain)	
3	ANT	
4	AL-Rajhi Saudi Group	
5	British Telecom Al-Saudia	
6	Digi Systems Inc.	
7	Al-Jazirah Network for Internet Services	
8	SKYBAND	
9	Dar Al-Mustawrad Establishment for Trade (IT)	
10	International Computer Company (ICC)	
11	NESMA National Co. for Advanced Technology Ltd.	
12	Etihad Atheeb Telecom	
13	Arabian Internet and Communications Services Company (Awalnet)	

14	LINKdotNET Saudi Arabia Ltd.
15	Saudi Net Link Company Ltd.
16	Bnood Alsaudiah for Business Networking Operation and Development Co.
17	Channels Center for Electronic Devices
18	Saudi Research and Publishing Company (SRPC)
19	Mohamed Munassar Alesayi Group & Ali Hussein Alsawadi Group and Co. (DreamNet)
20	National Advanced Systems Co. Ltd. (NASCO)
21	EMBRO of Commerce Est.
22	Seven Eyes for Marketing
23	Tahseeb Est. Maintenance & Cont. Industrial Services & Supply
24	Perfect Presentation Company
25	Detecon Al Saudia Co. Ltd. (DETASAD)
26	Mohammed Ali Al-Esayi Est. for Trading
27	Uni BHR Telecom
28	P - Group Saudi Arabia
29	First International Networks Co.
30	Integrated Networks LLC
31	Applied Technologies Company
32	Zafa Company Limited
33	Interkey Company for Communication and Computer
34	International Gulf Gaihab Establishment
35	Advanced Operations Technology Est.
36	MeduNet
37	Nasser H Al Harbi Trading Establishment (Al Harbi Telecom)

## Appendixes

38	Sarmad Company for Trading
39	Digital Solutions Provider
40	Bayanat Al-Oula for Network Services
41	Zajil Telecom Company
42	Arabian Electronic Network
43	Nour Communications Company (NourNet)
44	Etihad Etisalat Company (Mobily)
45	Arab Circle Company for Internet Services
46	Sahara Network Co. Ltd
47	Saudi Telecom Company (STC)
48	Integrated Telecom Co. Ltd.
49	Saudi Internet Company
50	Gulf Computer Services Company (SPSNET)
51	Saudi Business Machines Ltd. (SBM)
52	WIDE BAND
53	Shahad Al-Sahra Trading
54	International Systems Engineering Co. Ltd
55	Jeraisy for Internet Services Co. Ltd.
56	SAMBA Financial Group
<b>License Type: VSAT Services</b>	
<b>18 Licenses</b>	
1	Nasser H Al Harbi Trading Establishment (Al Harbi Telecom)
2	Detecon Al Saudia Co. Ltd. (DETASAD)
3	High Capabilities Technologies Company Ltd.
4	SKYBAND

5	Saudi Net Link Company Ltd.
6	Electronia Company
7	Channels Center for Electronic Devices
8	AtlasAlbilad Advanced Technology for Communications
9	Baud Telecom Company
10	Integrated Telecom Co. Ltd.
11	British Telecom Al-Saudia
12	Showtime
13	Computer World & Technology Company
14	Future Core for Technology
15	Shahad Al-Sahra Trading
16	Petroleum and Energy Trading Services Est.
17	Oloom AlShabakah Communication Est.
18	Saudi Telecom Company (STC)
<b>License Type: Global Mobile Personal Communication Services (GMPCS)</b>	
<b>3 Licenses</b>	
1	Iridium Satellite LLC
2	Farhan Commercial Company Ltd. (Thuraya Services)
3	Thuraya Satellite Telecommunications Company
<b>License Type: Aeronautical Internet Service</b>	
<b>1 Licenses</b>	
1	Connexion by Boeing
<b>License Type: Aeronautical Mobile Service</b>	
<b>2 Licenses</b>	
1	OnAir-Switzerland S.A.R.L.
2	DataStar International Ltd.

License Type: Automatic Vehicle Location (AVL)		44 Licenses
1	Electronia Company	
2	Dawaer Technologies Co.	
3	Advanced Programs Trading Co.	
4	Modern Industrial Equipment Est.	
5	Saudi Unicom Communications Technology	
6	ANT	
7	Specialized Technologies for Industrial Supplies co.	
8	Project Management and Development House	
9	Abdullatif Alarfaj & Brothers Holding Company	
10	SeQureME	
11	Third Dimension Technology Limited	
12	Al-Motabei for Electronic Systems	
13	Zaki Mohd. Ali Farsi Est.	
14	Industrial Projects Technologies Co.	
15	Saudi Net Link Company Ltd.	
16	Advanced Electronics Co. Ltd.(AECL)	
17	Okaz Telecom Est.	
18	Tech Track Est.	
19	Almisehal Group for Trade Ltd.	
20	Handhelds Pro Co.	
21	AFAQY Est.	
22	Solan for Communication and IT Est.	
23	Advanced Global Communication Network	

24	Petroleum and Energy Trading Services Est.	
25	Seven Eyes for Marketing	
26	Naqaa Elmarefah Co.	
27	Zultec Fleet Management Company Ltd.	
28	Mohammed Ali Al-Esayi Group Company	
29	Arabian Company for Petrol Services Ltd.	
30	Basmah Supplies and Trading Est.	
31	Fleet Tracking Technologies Co.	
32	Aentaj IT Est.	
33	Integret Advanced Co.	
34	Ather Trading Est.	
35	AlKhozama Est.	
36	Farhan Commercial Company Ltd. (Thuraya Services)	
37	System of Strategic Bussiness Solution	
38	Numerical Data Company Ltd.	
39	Ahmed Soliman AlFahhad and Sons Co.	
40	Logistic Technology Services Co.	
41	DataStar International Ltd.	
42	Al-Majal Security Services	
43	Developed Dimension Information Technology	
44	Leader Investment Company	
License Type: Bulk SMS		137 Licenses
1	Media Phone for Computer Services	
2	TeleCall	

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3	Faisal Abdllaziz Yousf Al-Gnaee
4	Max Media
5	Mohammed Sowaileh Al-Fitaikha Est.,Branch of Al-Ayen
6	MobiZone Saudi Co.
7	Arabian Internet and Communications Services Company (Awalnet)
8	SAB Communications
9	Sarmad Company for Trading
10	Mobile Channels Company
11	Ataas Trading Company
12	Husn Al Emirat Est.
13	Saudi Pearl Company
14	Fawaz Abdlaziz Al-Hokair & Co.
15	Wafir International Group for Communication and Information Technology
16	Foundation Fahad Alothaim Services for Telecommunications
17	Added Telecom Est.
18	Xpress Company
19	Qanawat for IT and Telecom Services
20	Communication Quality Est.
21	Optimal Technology Solutions
22	Integrated Opinion Est.
23	Baraheen International Company
24	Perfect Presentation Company
25	Egypt Network Co.
26	Tawasul Communications Limited

27	Ghrra Telecom Company
28	Mawarid Electronics Company Ltd.
29	Ideal Business
30	Arabian National Co., for Supplies & Equipment
31	Elite Time Est.
32	Hisham Abdulrahman Alhowaish Est.
33	Mada Est.
34	Bin Sammar Contracting Est.
35	Arabs Call Company Limited
36	Advanced Electronics Co. Ltd.(AECL)
37	New Sky Est.
38	Al-Safhah Al-Thahabiah Trading Establishment
39	Electronic Horizons Telecom Est.
40	Ezz Elkhair for Development and Support Est.
41	Smart Call Co.
42	Top Net Trading Group
43	First for Information Technology Services
44	Sami A. AlBawardi Est.
45	Marhab Saudi Telecom Company
46	Zafa Company Limited
47	Links Services Est.
48	Nomed Trading Contracting Co.
49	E - Learning & Training Co.
50	MeduNet
51	Al-Tekania for Contracting and Trading Co.

52	Al-Jazirah corporation for press, printing, and publishing
53	Future Communications Guidance International
54	abdulhadi ali al al-rahilah Foundation for Trading
55	iTelgent Company
56	Technology Touches Co.
57	Smart Massage Telecom Technical Est.
58	Technical facilities Est.
59	Lead Marketing and Communication LLC
60	Saudi Research and Publishing Company (SRPC)
61	Electro Tasdeed Est.
62	Interactive Media Est.
63	WiFi Solutions
64	Sara Telecom Company
65	Linki for Communications
66	Ayah International Est.
67	Ideal Execution Services Est.
68	Net Links Est.
69	Arabic Computer Systems Limited
70	Fenda Holding Company
71	International Company for Mobile Services
72	Technology Development Est.
73	Sela Trading Company
74	Mohamed Munassar Alesayi Group & Ali Hussein Alsawadi Group and Co. (DreamNet)
75	Rawafed Information Co.
76	Developed Services Est.
77	Four Systems Company for Trade

78	Inteshaar Commercial Ventures
79	Value for Communication
80	Communications Cadres Trading Establishment
81	Rke Technology
82	Mobile me for Communications
83	Aseer Est. for Press & Publishing
84	Jeraisy for Internet Services Co. Ltd.
85	M-BUZZ
86	AlKonoz Portal
87	Bena AlSareh Est. for Trading and Contracting
88	RAMOOZ
89	Tech Systems Est.
90	Mashaeh Alasemah Trading Est.
91	Media Call for Audio Text Services
92	Emerging Technology
93	Audio Visual Infusion
94	7 Points Trading and Contracting Company
95	Saudi Sara Good News 4Me Company
96	Uni BHR Telecom
97	Hams AlShams Est.
98	Data Technology Est.
99	Bait Alelam Media Production Establishment
100	First for Science & Technology Co.
101	Tim We Saudi Arabia
102	Fast.Net Co.
103	Broadband Est.
104	Acxiom MENA

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105	Arabian Advanced Systems Company
106	Abdullah Mohammed Al-Othman Trading Est.
107	Arabian for Science & Technology
108	Jibal Advertising for Information Technology
109	First Gulf Contracting Company Ltd.
110	Danah Al-Hasib
111	Voice & Data Telecommunication Company
112	BAB International Corp. for Specilized Services
113	Value Added Co.
114	Soft Club Trade
115	Tajseed Technologies Company Limited
116	Est. of Dawood Al-Nazer
117	Al-Elm Information Security
118	Tjari Commercial Co. Ltd.
119	Sky Telecommunications Ltd.
120	Dar Al-Ikhtera Aldaulia Co. for Trading
121	Mansour Abdulrahman Aljelsi Co.
122	Okaz Establishment for Journalism and Publishing
123	MOBILINK Company
124	Unique Business Group Arabia (UBG)
125	Digital Zadcom for Computer Services (Zad Group)
126	Alarabi Establishment for Communication Devices
127	ARA Media Services Ltd. (AMS)
128	Madar Sadeem Est. for Information Technology
129	Peacock Advertising and Promotion Company
130	Masian Establishment for Marketing
131	Alwataniya Advertising Company

132	ERTIQA Information Est.
133	Asaig United for Communications
134	Mobile Innovative Solutions Company
135	Electronic Concepts Company Ltd.
136	Saudi Bells Telecommunications Company
137	Typical Network Est.
<b>License Type: Audio Text Services (700)</b>	
<b>14 Licenses</b>	
1	MobiZone Saudi Co.
2	SAB Communications
3	Saudi Pearl Company
4	Mawarid Electronics Company Ltd.
5	Arabs Call Company Limited
6	Saudi Trading & Resources Co. Ltd.
7	Media Call for Audio Text Services
8	Maharat for Communication and Technology
9	Marhab Saudi Telecom Company
10	Mobile Innovative Solutions Company
11	MOBILINK Company
12	Alwataniya Advertising Company
13	Sky Telecommunications Ltd.
14	Unique Business Group Arabia (UBG)
<b>License Type: Call Center Services</b>	
<b>11 Licenses</b>	
1	Etisal International Co. for Marketing Services
2	Mind Power
3	Perfect Presentation Company
4	Ziyad Sulaiman AlQassim Est.
5	Inteshaar Commercial Ventures



6	Al-Khaleej for Training and Education Limited
7	Emerging Technology
8	Uni BHR Telecom
9	Acxiom MENA
10	Allied Solutions Company
11	Excellent Solutions
<b>License Type: Electronic Wallet Services</b>	
<b>5 Licenses</b>	
1	Nomed Trading Contracting Co.
2	Perfect Presentation Company
3	Zafa Company Limited
4	FANA International for Communications
5	Interkey Company for Communication and Computer
<b>License Type: Prepaid Card Recharging Services</b>	
<b>5 Licenses</b>	
1	electronic Recharge Co.
2	Interkey Company for Communication and Computer
3	Uni BHR Telecom
4	Electro Tasdeed Est.
5	Smart Marketing Company
<b>License Type: Network Operation Center (NOC)</b>	
<b>4 Licenses</b>	
1	Jeraisy for Internet Services Co. Ltd.
2	Detecon Al Saudia Co. Ltd. (DETASAD)
3	Integrated Networks LLC
4	International Electronic Telecommunications Company (Inteltec Saudi Arabia)
<b>License Type: Telecom Hotel</b>	
<b>6 Licenses</b>	
1	Tuwaiq Communication Company
2	Modern Sea Cable Company
3	Interkey Company for Communication and Computer

4	Jeraisy for Internet Services Co. Ltd.
5	Nour Communications Company (NourNet)
6	Gulfnet International Telecommunications Co.

# Appendixes

## Appendix G: CITC Websites

(1) Main CITC site: <http://www.citc.gov.sa>



(2) CITC intranet site: <http://my.citc.gov.sa>



(3) The National Center for Information Security (CERT-SA): <http://www.cert.gov.sa>



(4) Saudi Internet Service Portal: <http://www.Internet.gov.sa>



(5) Saudi Network Information Center: <http://www.nic.net.sa>



(6) IPv6 Task Force: <http://www.ipv6.org.sa>



(7) Saudi National Anti-SPAM Program: <http://www.SPAM.gov.sa>



(8) National Committee for Information Society: <http://www.ncis.org.sa>



## Appendix H: Code of Ethics and Professional Conduct

1. Respect the rights of all stakeholders who interact with the CITC, and deal with them courteously, fairly and impartially.
2. Refrain from any actions, dealings or work activities which are considered improper or are seen as inconsistent with moral and honorable conduct.
3. Do not accept or request any gifts, compensation, invitations or other benefits of any kind from parties who have a direct or indirect business relationship with the CITC.
4. Do not directly or indirectly exploit your position at CITC for personal advantage or profit, or for the benefit of a relative or a friend.
5. Refrain from any activity that can lead to conflict of interest, real or perceived, between your own personal interests on the one hand, and professional responsibilities on the other. In the case where such conflict exists or may exist, or if you are subjected to conflicting external pressures, or if in doubt of the proper course of action, refer the issue, in confidence, directly and in writing to the immediate supervisor.
6. Refrain from any action that might lead to preferential treatment of persons or entities involved with the CITC, or might negatively impact CITC's reputation.
7. Avoid establishing personal working relationships with people, establishments or companies whose self interest is linked to CITC decisions, and refrain from offering advice or revealing information which is not publicly available, and which might provide unfair advantage to any party.
8. Do not reveal confidential information obtained during the exercise of duties whether verbally, in writing or electronically.
9. Do not, either directly or indirectly, exploit or utilize information which is obtained during the course of employment at the CITC and which is not publicly available, for personal gains or for the benefit or harm of others.
10. Do not get involved in any business or undertake any independent work activities of a similar nature to that of the CITC's. To be involved in any other business activity, which is not of a similar nature to that of the CITC, a prior approval must be obtained from the Governor.

# Appendixes

## Appendix I: CITC Financial Accounts

	31 Dec 2010 (Not audited) SR (000)	31 Dec 2009 (audited) SR (000)
<b>Revenues</b>		
- Commercial Services Provisioning Fees	4,419,379	4,756,070
- License Fees	386,552	404,094
- Spectrum Usage Fees	592,247	2,437,051
- Other Revenues	13,054	29,276
<b>Total Revenues</b>	<b>5,411,232</b>	<b>7,626,491</b>
<b>Expenditures</b>		
- Employee Costs	159,169	132,606
- Administrative and General Expenditures	55,786	52,688
- Consultancy	40,987	40,416
- IT Systems and Software	7,077	9,988
- Capital Expenditures	99,803	98,523
<b>Total Expenditures</b>	<b>362,815</b>	<b>334,221</b>
<b>NET REVENUES (Surplus)</b>	<b>5,048,417</b>	<b>7,292,270</b>

### Notes:

As per the CITC Ordinance (Articles 11 & 12), the Commission collects the fees charged for the provision of commercial services, usage of frequencies and issuance and renewal of licenses and deposits these amounts with the General Treasury in a current account of the Ministry of Finance and National Economy. The Commission does not keep any reserve. The whole surplus (Revenues – Expenditures) is returned to the Public Treasury.

(Footnotes)

1. The specified policies as stated in items 24/1/5/3 of the Ninth Development Plan (1431-1436 H) (2010-2014G).





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