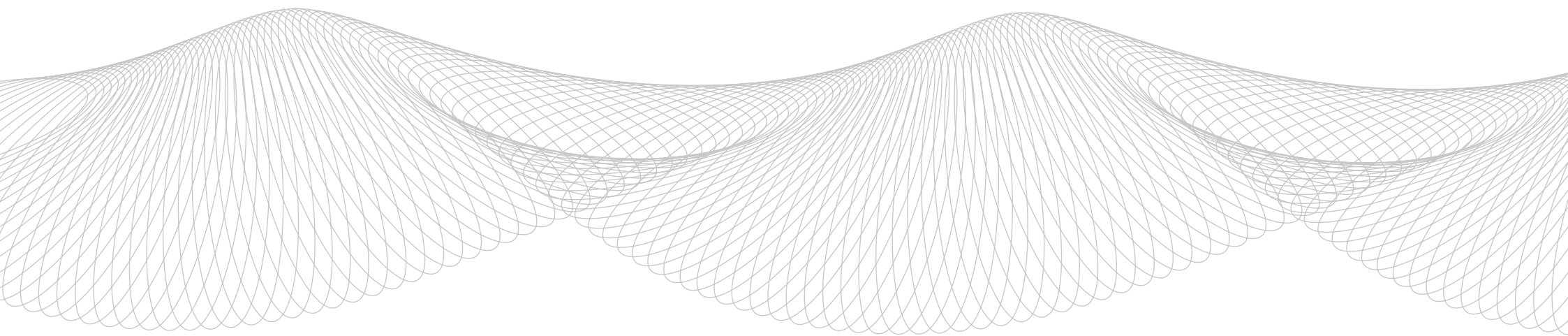


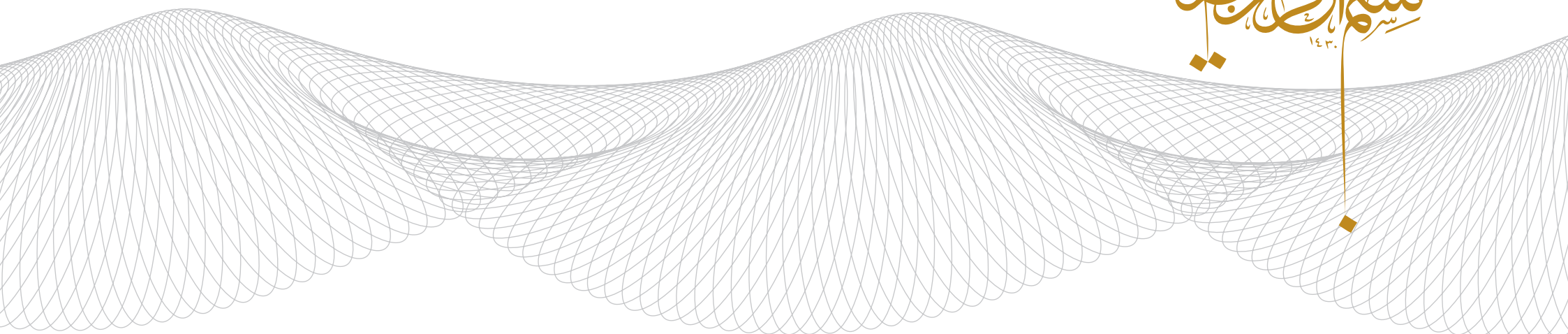
هيئة الاتصالات وتقنية المعلومات
Communications and Information Technology Commission



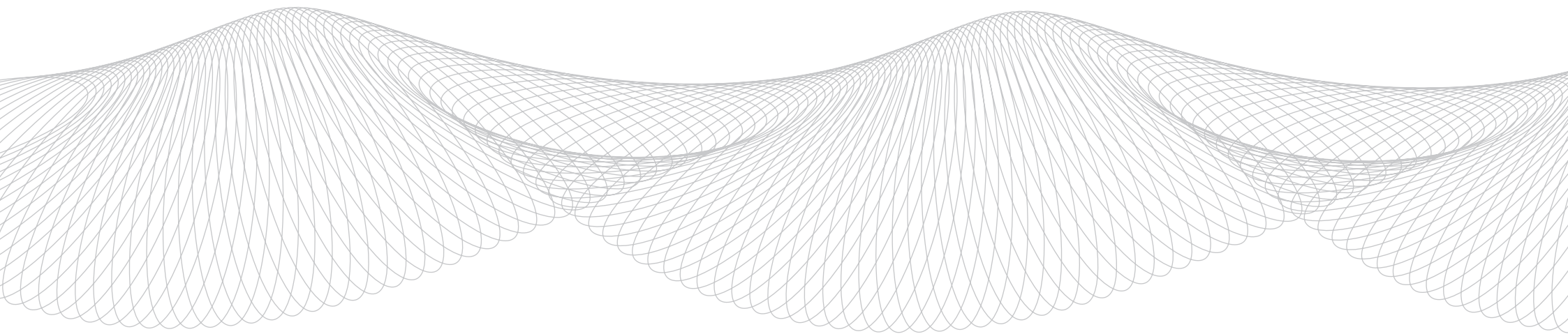
2011

Annual Report





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
١٤٣٠





Custodian of the Two Holy Mosques
King Abdullah Bin Abdulaziz Al Saud



His Royal Highness
Naif Bin Abdulaziz Al Saud
Second Deputy Prime Minister
& Minister of Interior

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CITC Board of Directors

The CITC Board of Directors



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



H.E. Eng.
Abdullah A. Al Darrab,
CITC Governor
Deputy Chairman



Mr.
Ahmed A. Alabdelaali,
Ministry of Trade and Industry
Member



Mr.
Abdulaziz H. AlHusseini,
Minister of Communications
and Information Technology (MCIT)
Member



Mr.
Fahad A. Al Dakkan,
Ministry of Finance
Member



Dr.
Abdulaziz M. Al Suwailem,
KACST
Member



Dr.
Asaad S. Abdo,
Private Sector
Member



Mr.
Saleh E. Al Hosaini,
Private Sector
Member



Mr.
Saud A. AlShammari,
Private Sector
Member



Chairman's Statement

The information and communications technology (ICT) sector continues to grow at a very rapid pace in the Kingdom as in the rest of the world. The ICT sector, and especially broadband connection to the Internet, is globally recognized as critical to economic growth and is becoming the major mechanism for delivery of government services, for expansion of the health and education sectors, for completing commercial transactions, for sustaining and spreading cultures, and for development of the Knowledge Economy and Information Society.

The Government of the Custodian of the Two Holy Mosques – may God protect him – through its policies, strategies and national plans, is committed to the expansion of the ICT sector in the Kingdom and to providing its benefits to all citizens. Contracts were executed this year, for example, to undertake Universal Service Fund projects to provide ICT services to remote areas.

The ICT sector in the Kingdom has matured significantly in the decade since the Communications



and Information Technology Commission (CITC) was created. CITC has had great success in liberalizing the ICT markets and overseeing the development of competition through its regulations and procedures, striving always for fairness, balance and transparency in protecting the interests of consumers, service providers and the nation as a whole. CITC recognized that the tremendous growth of the sector, the introduction of new and powerful technologies and services, and the achievement of real competition in several services markets require a significant change in focus of the Commission. The Board, therefore, approved sweeping changes in the organizational structure of CITC so that it would focus less on licensing new infrastructure providers and more on managing competition, on consumer protection as different forms of service provider businesses are licensed, on educating and supporting the public, on expanding its strategic planning role to better meet the needs of the evolved markets and of all their stakeholders, and to improve enforcement of its decisions to ensure fairness and predictability in the markets and to better attract investment in the sector.

The restructuring process is underway and is just one of the many achievements of the Commission reviewed in this Annual Report. CITC remains dedicated to supporting and overseeing the growth of the ICT sector and to its vision of “universally available, high quality and affordable communications and information technology services”. We look forward to even greater accomplishments in the coming year and are poised to even better address our goals and challenges.

On behalf of the Board of Directors, I am pleased to introduce the 2011 Annual Report which reviews the major activities and accomplishments of CITC during the year.

I wish to take this opportunity to thank the members of the Board, H.E. the Governor of CITC and all CITC staff for their superb efforts. May God preserve our beloved country, led by the Custodian of the Two Holy Mosques – may God protect him– and continue to bless us and guide us in all our endeavors.

Eng. Mohamed Jamil A. Mulla
Chairman of the Board



Governor's Statement

CITC continued its efforts during 2011 to foster growth and competition, as well as a fair and transparent regulatory environment, in the ICT services markets. CITC remains dedicated, as a result of the support, guidance and patronage of the Government of the Custodian of the Two Holy Mosques – may God protect him – to supporting and overseeing the growth of the ICT sector and to its vision of “universally available, high quality and affordable communications and information technology services”. The overall success of market liberalization can be seen, for example, in the 8% growth of ICT sector revenues to SAR 66 billion, as well as the world-leading mobile penetration of 188%.

Though much remains to be done, particularly in the areas of fixed services competition and broadband penetration, the ICT sector has become more mature in the last decade and there is now a clear need to focus less on issuing infrastructure licenses and more on managing competition, consumer protection and awareness, strategic planning in consultation with all stakeholders, and more effective enforcement to ensure stability in the markets and to attract more investment. In order to focus better on these areas, CITC implemented in 2011 its first major organizational restructuring since it was created in 2002.





In addition to describing major accomplishments during the year, this Annual Report provides details on some of the new projects that CITC has been and will be undertaking. For example, CITC will launch a public consultation early in 2012 on awarding up to three new licenses for Mobile Virtual Network Operators (MVNOs), potentially opening a whole new element of competition in the mobile services market.

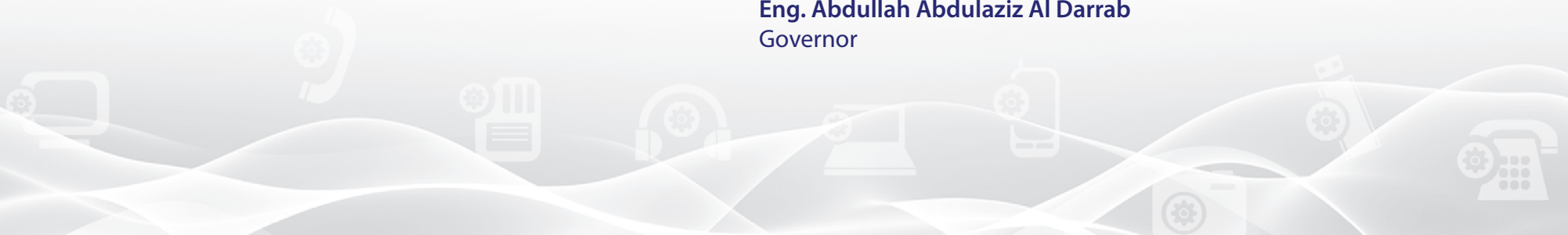
The first four projects of the Universal Service Fund (USF) are now in the implementation phase to provide voice and broadband Internet services to 3,824 remote communities. Plans and tender documents have been completed and approved for two more projects to be awarded during 2012 to serve an additional 669 communities.

Another major highlight of the past year was the approval of a revised National Numbering Plan (NNP). The timing was dictated by the tremendous growth in the mobile services market and by the introduction of new broadband-based services. In developing the NNP, CITC took, as always, the approach of fairness, transparency and balance between the interests of all stakeholders to arrive at a plan that will meet the needs of the Kingdom for the foreseeable future.

This report describes a number of the functions of CITC in the regulation of the ICT sector, including: addressing user complaints; dispute resolution; updating the regulatory framework and guidelines to keep pace with developments in the sector; preparing and periodically updating technical specifications for ICT equipment; enforcing quality of service criteria; ensuring adequate service levels for pilgrims; managing numbering and number portability; managing the frequency spectrum for efficient use in line with international agreements; resolving frequency interference problems; coordinating frequency use with neighboring countries; ensuring disaster recovery planning by the major operators; administering Internet domain names; information technology (IT) planning and protection services; public education and awareness; protecting the interests of users; as well as a number of other CITC responsibilities.

I wish to take this opportunity to thank H.E. the Chairman of the Board, the members of the Board and all CITC staff for their hard work and dedication, and especially Dr. Abdulrahman A. Al-Jafari, the former Governor, for his leadership during the last four years. Thanks, also, to all those who contributed to the success of the Commission by sharing their views and their expertise.

Eng. Abdullah Abdulaziz Al Darrab
Governor





• CITC new Headquarter in Al-Nakheel, Riaydh.

1. 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, and 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.

2. Executive Summary

This Report highlights the major activities and achievements of CITC during fiscal year 2011. It reviews the development of the ICT sector and the regulatory environment (Chapter 2), the members of the Board of Directors (Chapter 3), the vision and mission of CITC (Chapter 4), and the current situation (Chapter 5).

Chapters 6, 7 and 8 of the Report cover the key activities, accomplishments and studies during the reporting period, divided into several main streams:

A. Promotion of Competition and Sector Development

- ◆ Licensing and market liberalization.
- ◆ Unified licensing and resale.
- ◆ Leasing telecommunications facilities.
- ◆ Digital authentication services in the Kingdom.
- ◆ Developments and trends in the ICT sector.
- ◆ Deployment of broadband services.
- ◆ Interconnection Guidelines update.
- ◆ Reference Interconnection Offer (RIO).
- ◆ Accounting separation policy.
- ◆ Local and international Internet exchange points.
- ◆ Performance indicators for the ICT services markets.
- ◆ Mergers, acquisitions and bankruptcies in the ICT sector.
- ◆ Number portability.
- ◆ Type approval laboratory.
- ◆ The Saudi Network Information Center (SaudiNIC).
- ◆ Transition to Internet Protocol version 6 (IPv6).
- ◆ Developing the ICT sector.

B. Consumer Protection

- ◆ Consumer complaints.
- ◆ e-Complaints system.
- ◆ Violations.
- ◆ Tariff regulation.
- ◆ Quality of service indicators.
- ◆ The Internet Services Security Center.
- ◆ Planning for the development of Internet services.
- ◆ Electronic system for Customs release and type approval of ICT equipment.
- ◆ Provision of ICT services for the Hajj and Ramadan seasons.
- ◆ National program to increase awareness of information security.
- ◆ Awareness campaign on the best use of ICT.
- ◆ Field measurements of the levels of electromagnetic radiation.



C. Management of Scarce Resources

- ◆ Frequency management and the National Frequency Plan (NFP).
- ◆ The National Numbering Plan (NNP).

D. Regulatory Environment and Transparency

- ◆ CITC regulations.
- ◆ The regulatory framework.
- ◆ Public consultations.
- ◆ Regulatory decisions.
- ◆ Quarterly performance indicators for the ICT markets.
- ◆ The IT annual report.
- ◆ Media activities.

E. Universal Service Fund (USF)

- ◆ Reviewing the universal service/universal access policy.
- ◆ Surveying service requirements in all areas of the Kingdom.
- ◆ Study to identify ICT service areas.
- ◆ Monitoring service requests for remote areas.
- ◆ The USF Pilot Project covering areas in Makkah Region and Madinah Region (482 localities).
- ◆ USF Project #2 covering areas in Northern Border Region, Al-Jouf Region and Jazan Region (538 localities).

- ◆ USF Project #3 covering areas in Makkah Region, Asir Region and Al-Baha Region (2,457 localities).
- ◆ USF Project #4 covering areas in Riyadh Region and Eastern Region (347 localities).
- ◆ USF Project #5, to be tendered in 2012, covering areas in Tabuk Region and Hail Region (412 localities).
- ◆ USF Project #6, to be tendered in 2012, covering areas in Najran Region (257 localities).

F. Studies

- ◆ End-user connections to the international Internet.
- ◆ Annual fees for construction of communication towers and for digging permits for telecom infrastructure.
- ◆ ICT infrastructure in the King Abdullah residential suburb in Jazan.
- ◆ Limiting the spread of illegal SIM boxes.
- ◆ Carrier selection in the Kingdom.

This Report also highlights the accomplishments of CITC during 2011 compared to the objectives of the Ninth Development Plan (Chapter 9) and concludes with a list of programs for 2012 (Chapter 10).

The Report includes several appendices: Major Board resolutions; CITC decisions; public consultations; other CITC activities and achievements; events and meetings; licenses issued; the CITC "Code of Professional Conduct and Ethics"; and the financial statement for fiscal year 2011.

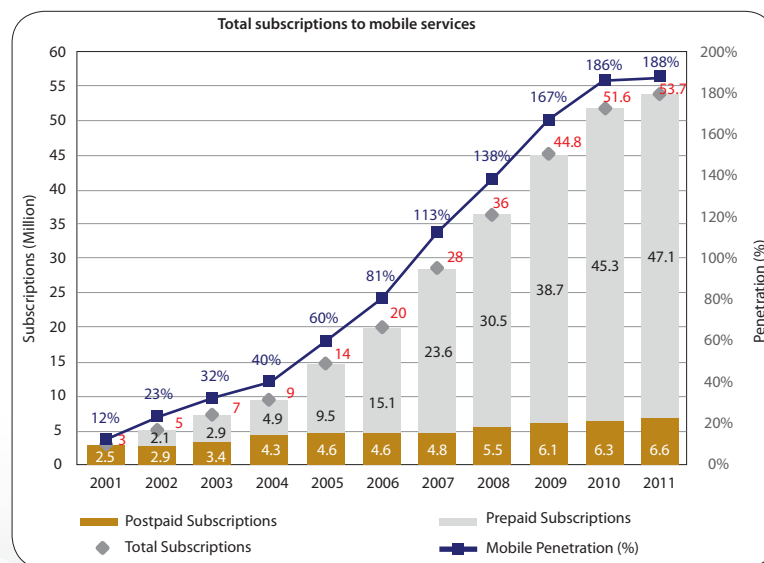
3. The ICT Sector in the Kingdom of Saudi Arabia

3.1. Sector Evolution

3.1.1. Mobile Telecommunications Market

The total number of mobile subscriptions grew to around 53.7 million at the end of 2011, with a penetration rate of 188%. Prepaid subscriptions constitute the majority (over 87%) of all mobile subscriptions. Despite the high growth rates achieved by the mobile sector in recent years, growth is expected to continue, albeit at a slower rate.

Figure 1: Mobile Service Market Growth – Total Subscriptions (2001-2011)

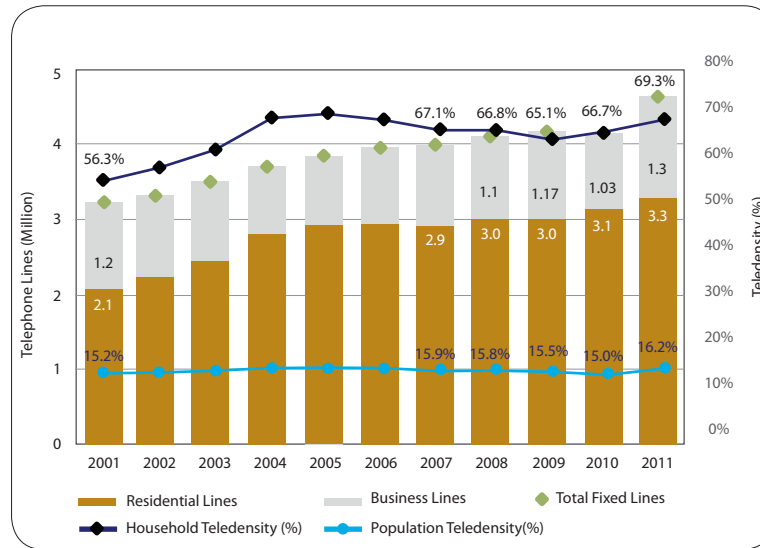


3.1.2. Fixed Telephony Market

Fixed telephone lines stood at 4.63 million at the end of 2011 of which around 3.3 million, or 71%, were residential lines. This represents a household teledensity of 69.3% and a population teledensity of 16.2%. This is slightly lower than the world average of over 17% but is higher than the averages in the Arab world and in developing countries.

It is clear from Figure 2 that the rate of demand for fixed line service has been relatively stable since 2004. The main reason is the rapid spread of mobile telecom services due in part to their ease of subscription and the gradual decrease in prices. This has led to a lower volume of requests from consumers for fixed services. However, the demand for fixed services, especially in major cities, is expected to grow as a result of growing demand for fixed broadband services, especially for fiber optic network (FTTx) services.

Figure 2: Fixed Telephone Market Evolution (2001-2011)



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

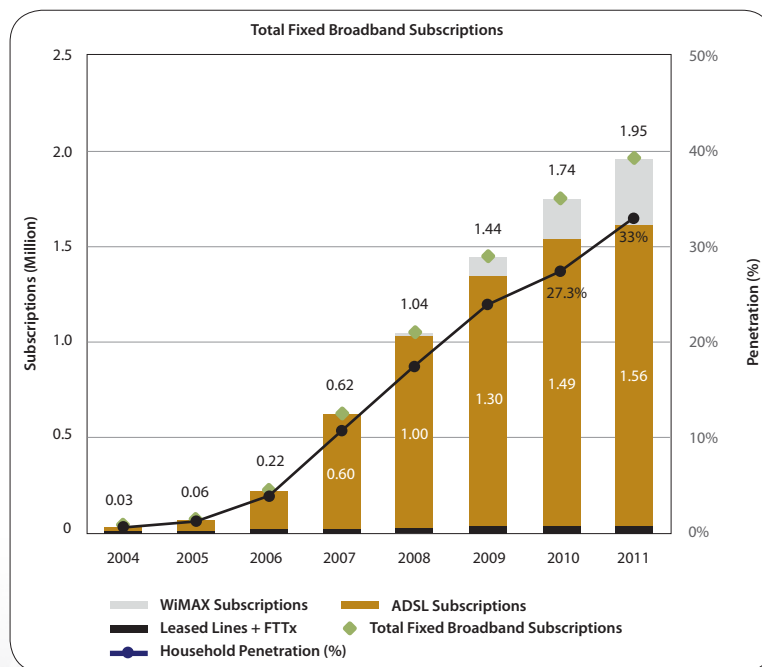
3.1.3. Broadband Market

Studies indicate that broadband services will be the main driver for ICT growth in the coming years and an important source of income for the sector. The opportunities for deployment of broadband networks in the Kingdom are good in the immediate future, especially for fixed wireless and mobile networks, to meet increased demand for broadband services and applications. The gap in the penetration of broadband services in the Kingdom is still large compared to the developed countries. The objectives of the Ninth Development Plan of the Kingdom include "the pursuit of a knowledge-based economy through the application of electronic transactions and the dissemination of use in all regions of the Kingdom". Therefore, in order to achieve this objective and to facilitate the flow of information, there is a great need for high-speed and high-quality broadband networks at reasonable prices to be made available in the Kingdom.

3.1.3.1. Fixed Broadband Services

Fixed broadband subscriptions including Asymmetric Digital Subscriber Line (ADSL), fixed wireless (WiMAX), FTTx and other fixed lines have grown to around 1.95 million subscriptions at the end of 2011. The fixed broadband household penetration rate was about 33%.

Figure 3: Fixed Broadband Market Evolution (2004-2011)

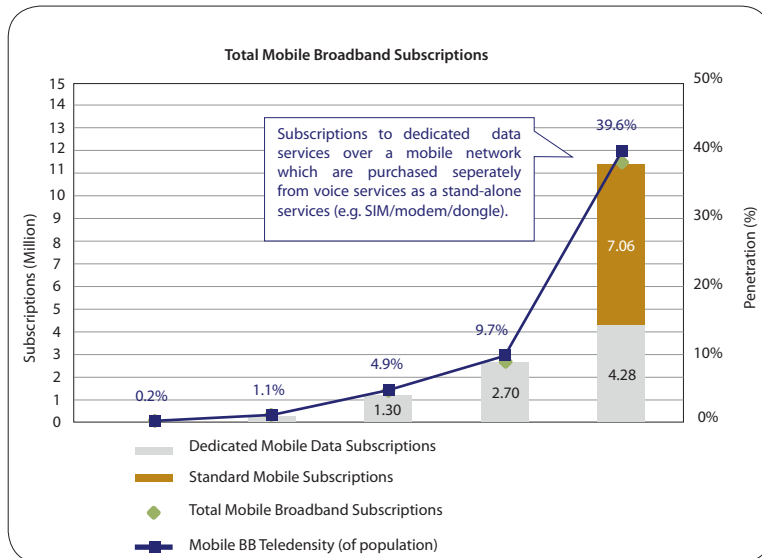


3.1.3.2. Mobile Broadband Services

Total mobile broadband subscriptions reached 11.3 million at the end of 2011, representing a population penetration rate of 39.6%. The mobile broadband market continues to gain momentum in the Kingdom. The key reasons for this growth are vigorous competition, a healthy expansion of smart phones, and offers of various data packages by the mobile operators. It has become easier to access the Internet via mobile devices such as smart phones. The mobile networks are also improving as 3.5G technology (High Speed Packet Access or HSPA) continues to be deployed and as new 4G wireless broadband technologies emerge over the next few years.

It should be noted that in calculating the number of subscriptions, CITC has adopted the new methodology recommended by the International Telecommunication Union (ITU) in early 2011. This allows for including combined voice and data subscriptions at broadband speeds. As a result, the broadband subscription and penetration totals for 2011 are substantially higher than those reported for previous years.

Figure 4: Mobile Broadband Market Evolution (2007-2011)

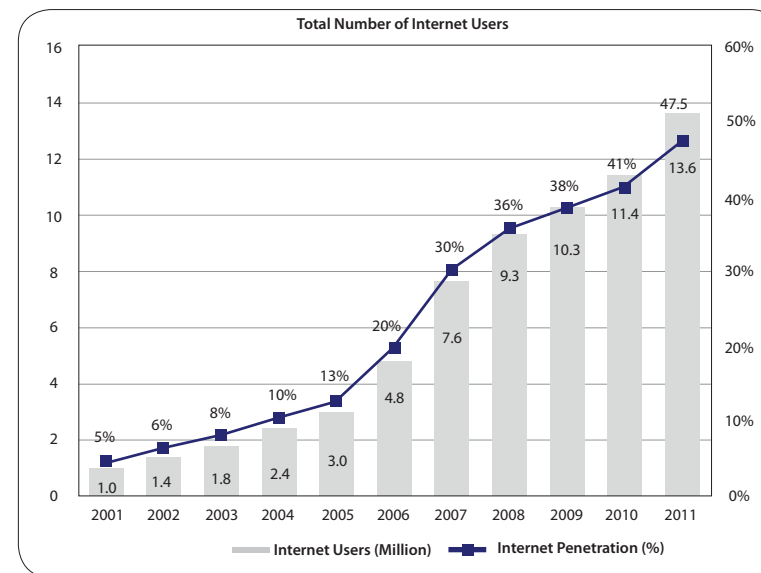


3.1.4. Internet Services Market

Internet penetration increased at a high rate during the past years from 5% in 2001 to about 47.5% at the end of 2011. The estimated number of Internet users in the Kingdom is now 13.6 million. Increased awareness of the benefits of the Internet, significant growth in the availability of high-speed broadband services and applications, continuing decline in the prices for devices and services, and significant usage of electronic transactions (banking, commercial and government) have stimulated the growth of Internet services. It is expected that the demand for Internet services will increase significantly in

the next few years due to the availability of fiber optic networks (FTTx) at very high speeds (especially in large cities at first), growing Internet content, and the spread of handheld smart devices and applications.

Figure 5: Internet Market Evolution (2001-2011)



Notes:

2001-2006: CITC estimates based on reported Internet connections (dial-up and broadband).

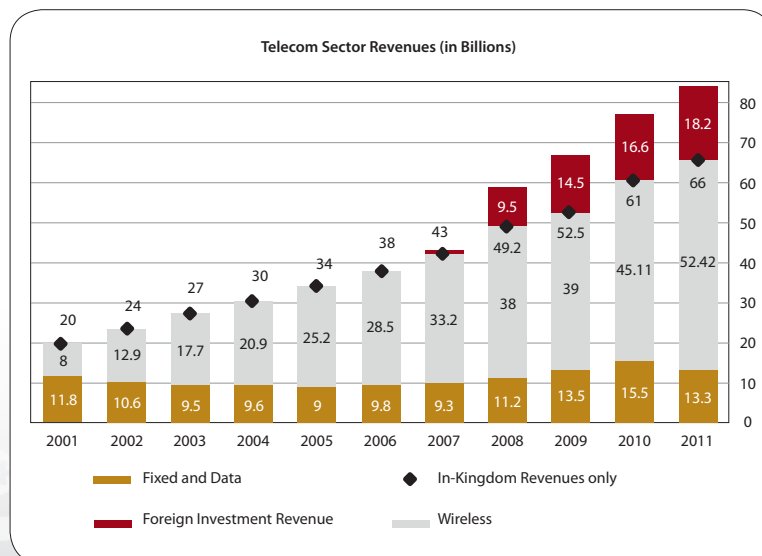
2007-2009: Actuals based on field surveys of the Internet market commissioned by CITC.

2010-2011: CITC estimates (projections) based on field surveys.

3.1.5. Telecom Services Sector Revenues

Telecom services revenues in Saudi Arabia have been steadily growing at a compound annual growth rate (CAGR) of around 12.8%, increasing from about SAR 20 billion (US \$5.3 billion) in 2001 to SAR 65.7 billion (US \$17.5 billion) in 2011. Figure 6 tracks the overall revenue growth, including both fixed and mobile services revenues, over the eleven-year period 2001-2011. Mobile services revenues represent about 80% of all telecom sector revenues in the Saudi market. In addition to revenues from the domestic market, investment by licensed Saudi telecom companies in foreign telecom markets have led to a rapid growth of revenues for the sector from foreign operations, from SAR 455 million in 2007 to around SAR 18.2 billion (US \$4.85 billion) in 2011. Domestic revenues, however, still represent over 78% of the total telecom sector revenues of SAR 84 billion (US \$22.4 billion) in 2011.

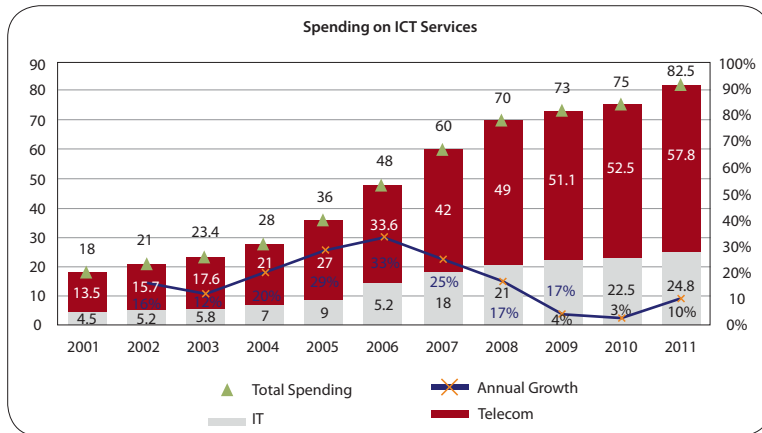
Figure 6: Telecom Sector Revenues (2001-2011)



3.1.6. Spending on ICT Services

CITC estimates that the volume of spending on ICT services is up to SAR 83 billion in 2011 compared to SAR 21 billion in 2002, an average annual growth rate of about 14%. The spending on information technology is around 30% of the total, mostly concentrated on hardware and IT services. The spending on ICT products and services is expected to grow by more than 10% in 2012, driven mainly by expected strong growth in demand for smart phones, high-speed networks and interactive applications resulting from strong growth of investment in the sector, and implementation of government projects, all of which will lead in turn to the growth of support services in the sector. The ICT market in the Kingdom is the biggest in the Middle East in terms of capital value and volume of spending, and it accounts for more than 68% of the Gulf Cooperation Council (GCC) ICT market. The capital investment of more than SAR 125 billion in the past ten years is due to industrial diversification in the Kingdom and has led to increased demand for software, equipment and services that make up the fastest growing sector in the ICT market.

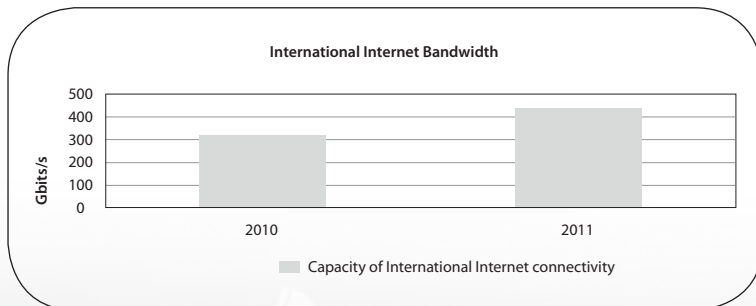
Figure 7: Spending on ICT Services



3.1.7. International Internet Bandwidth

The total capacity for international Internet connectivity in 2011 was about 440 Gbits/s compared to 318 Gbits/s in 2010.

Figure 8: International Internet Bandwidth



3.1.8. ICT Contribution to the National GDP

The growth of capital investment, development and expansion and of ICT networks have significantly contributed to the national gross domestic product (GDP). This has been the result of liberalizing the telecommunications sector and opening the markets to competition, which in turn has attracted investments and growth of the sector. The deployment of modern technology and availability of applications have the positive effect of raising the efficiency of other economic sectors as well. The growth in GDP in 2011 was SAR 2.1 billion or about 7%. According to CITC estimates, the contribution of the ICT sector is around 3% and has been rising over the past three years. If, however, the oil and mining sector components of the GDP are excluded, it is estimated that the ICT contribution to the national GDP was up 6% in 2011. Studies also show that there is a direct correlation between the availability of broadband services and the rate of growth in GDP. It is estimated that a 10% increase in the availability of broadband services could result in growth in GDP of between 1.2% and 1.3%.

3.2. Regulatory Framework

CITC has been the telecommunications regulator in the Kingdom of Saudi Arabia since 2002 and the 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 Act lists a number of objectives for CITC including: to provide advanced and adequate telecommunications services at affordable prices; to ensure creation of a favorable atmosphere to promote and encourage fair competition in all fields of telecommunications; to ensure effective and interference-free usage of frequencies; to ensure transfer and migration of telecommunications technology to keep pace with its development; to ensure clarity and transparency of procedures; to ensure principles of equality and non-discrimination; and to safeguard the public interest and user interest as well as to maintain the confidentiality and security of telecommunications information.

The CITC Ordinance, issued in June 2001, was amended in July 2003 (Council of Ministers Resolution No. 133) to broaden the regulatory role to include information technology services as well as telecommunications. The Ordinance defines the mandate, functions, governance and financing of CITC. 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.

In fulfilling its objectives, the current agenda of CITC includes the development of a fair and equitable competitive environment such that the ICT sector can be further liberalized. This encourages licensed service providers to roll out advanced network infrastructures, including broadband, to offer new and feature-rich services, to provide services at affordable prices, to provide network redundancy in case of malfunctions and emergencies, and to ensure universal availability of ICT services throughout the Kingdom.

In this context, CITC continued to review and develop its regulatory framework and to conduct a number of public consultations during 2011. The following regulatory framework documents and guidelines were published in 2011 (the associated Decisions are listed in Appendix B):

- ◆ Procedures for facilitating the establishment and cancellation of postpaid services.
- ◆ A fair usage policy for the *Jood Plus* family of services.
- ◆ Mechanism for determining the number of subscriber identity module (SIM) cards registered to a user.
- ◆ Regulations for issuing and transferring prepaid credits.
- ◆ Regulations for promotional offers for mobile services.

The CITC Statutes as well as the regulatory framework documents are available on the CITC website (www.citc.gov.sa).



3.3. CITC Roles and Responsibilities

The CITC roles and responsibilities are defined by the Ordinance and other relevant Government directives. In addition to making best efforts to meet its objectives, CITC also strives to implement strategy and sector policy as adopted by the Ministry of Communications and Information Technology (MCIT). The most important roles of CITC include:

- ◆ Implement ICT sector policies, plans and programs.
 - ◆ Issue the 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 policies related to universal service/universal access.
 - ◆ Manage the frequency spectrum, including development of the National Frequency Plan, and propose a spectrum usage fee structure.
 - ◆ Establish and manage the National Numbering Plan.
 - ◆ Promote IT services and increase awareness and usage of the 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.

4. The CITC Board of Directors

The Board of Directors is the highest governing body of CITC and supervises its administration, the conduct of its affairs, and the development and implementation of its general policies. The Board is chaired by His Excellency the Minister of Communications and Information Technology, Eng. Mohammed J. Mulla. During the year, the CITC Board members were:

- | | |
|------------------------------------|---------------------------------------|
| ◆ H.E. Eng. Abdullah A. Al Darrab, | CITC Governor, Deputy Chairman |
| ◆ Mr. Ahmed A. Alabdelaali, | Ministry of Trade and Industry Member |
| ◆ Mr. Abdulaziz H. AlHusseini, | MCIT, Member |
| ◆ Mr. Fahad A. Al Dakkan, | Ministry of Finance , Member |
| ◆ Dr. Mohammed A. Suwailem, | KACST, Member |
| ◆ Dr. Asaad S. Abdo, | Private Sector, Member |
| ◆ Mr. Saleh E. Al-Hosaini, | Private Sector, Member |
| ◆ Mr. Abdulrahman S. AlShammari, | Private Sector, Member |

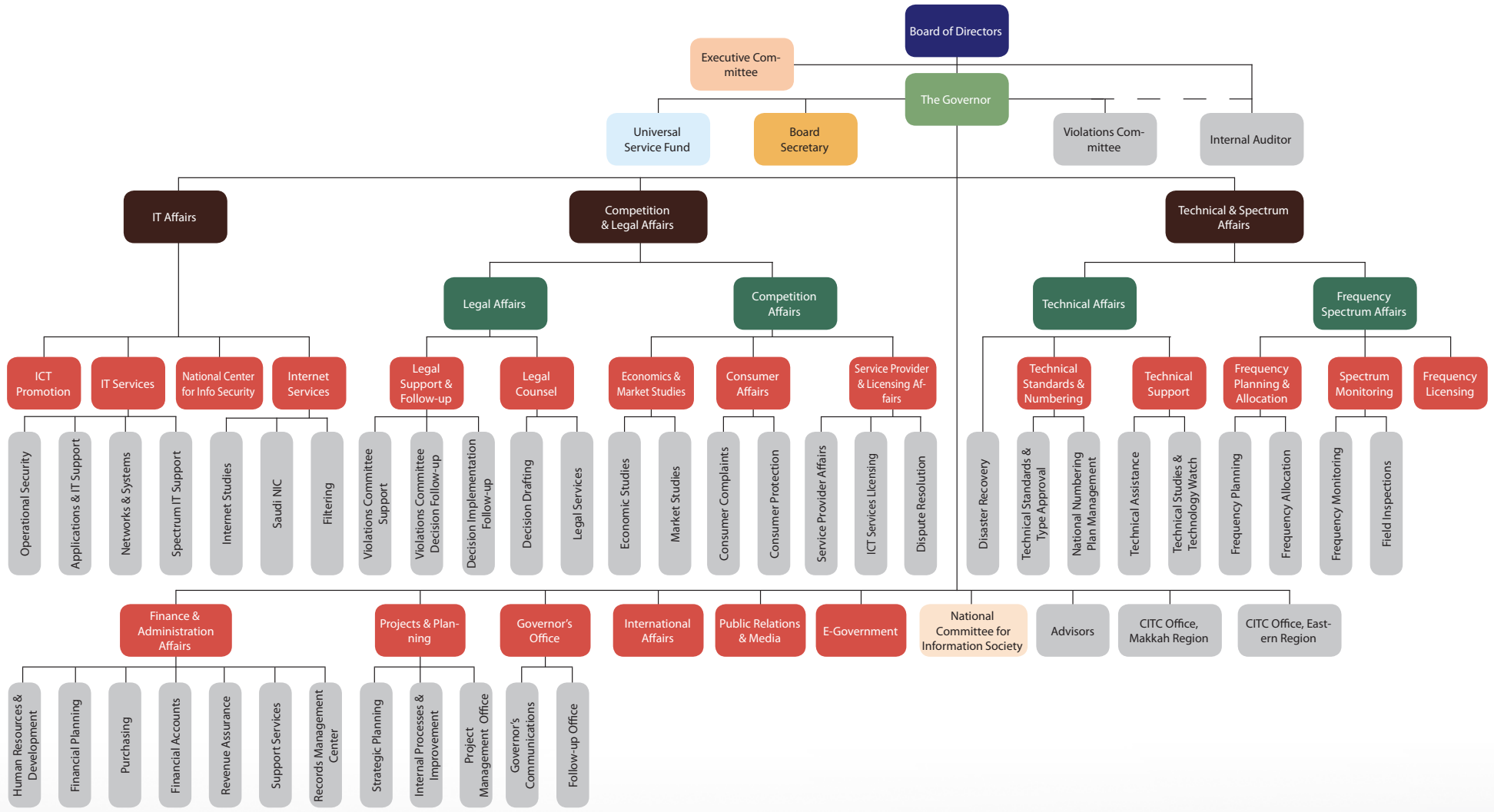


5. Current Situation

5.1. Organizational Structure

Since its establishment in 2002, CITC has played a key role in liberalization of this important economic sector and has created an attractive environment for investment based on its objectives to ensure clarity and transparency and on its principles of equality and non-discrimination. From its inception and incorporation, CITC has gone through various stages of prioritization including an initial focus to liberalize the mobile and data markets, to issue key licenses, and to assist new licensees to overcome any obstacles to launching their services on a commercial basis. It was appropriate during the past year for CITC to reassess its future direction to focus on how to protect users in their usage of ICT services, to address important issues such as the deployment of broadband infrastructure and associated services, and to monitor the ICT market segments for an effective competitive environment. With an increasing number of licensees operating in the Kingdom, the focus should also shift to managing increasing competitive intensity and to resolving contentious issues arising between the service providers and between the service providers and their subscribers. CITC also needs to increase its focus on further reduction of ICT tariffs for provision of quality services, on introducing modern technology, and on ensuring

universal availability of basic telecom and broadband services in commercially unprofitable areas. In order to achieve its new focus as described above, and to keep in line with future trends in the rapidly growing and changing ICT markets, CITC initiated a study on how best to organize for these challenges, and a new organizational structure was approved by the Board. One of the key features of the new organization was to establish a department dedicated to protecting consumers and their rights, to addressing their complaints expeditiously, and to monitoring the performance of service providers in resolving these complaints. The new organization is better designed to implement and follow-up on Board decisions and to address and resolve key issues rapidly, and it consolidates departments in order to avoid duplication while ensuring protection of employee rights. The new structure will enhance the effectiveness of CITC in achieving its objectives and provide easier access for all stakeholders such as the service providers, users, government agencies and the public. All this can be achieved with the full cooperation and understanding of all employees in meeting the future objectives of CITC. The new CITC organization is shown on page 29.



5.2. Manpower

CITC strives to attract the qualified and professional work 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 fiscal year 2011 was 333, of which 95.2% were Saudis. The professional staff (engineers, IT specialists, technicians, and financial and legal specialists) accounted for about 66% of the total.

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.

5.3. Buildings

CITC currently does not own any buildings. CITC leases its headquarters building along with two separate buildings in Riyadh, one each for the Frequency Spectrum department and for the Universal Service Fund. It also utilizes a fourth building that is owned by MCIT in Riyadh to accommodate some employees. CITC has two branches, one in Jeddah in Makkah Region and the other in Al Khobar in Eastern Region. Both of these buildings are also leased.

At the end of 2008, CITC awarded a contract for the construction of its first ever owned headquarters building in Riyadh to a Saudi company. The building was 96% completed at the end of 2011, and it is anticipated that it will be occupied before the end of 2012. CITC has procured two plots of land, one each in Jeddah and Dammam, to establish two permanent branch buildings. Architectural designs are underway. Further, a space

of 1,000 square meters was allocated in Makkah to enable CITC to carry out its work during the pilgrimage seasons.

5.4. Electronic Readiness

CITC has been building its internal infrastructure to support employee requirements and to achieve its objectives and tasks. The following was accomplished during 2011:

- ◆ Developed an e-system for budgeting and planning.
- ◆ Completed the development of the enterprise resource planning (ERP) system.
- ◆ Initiated a project for all IT needs at the new headquarters (HQ) building. The specifications were tendered and a contract was awarded.
- ◆ Completed the first phase of the project for CITC electronic services, including all applications. A complete roadmap for full implementation of electronic services was also finalized during the year.
- ◆ Launched an e-query service for the public, with no requirement for a physical visit to the CITC HQ building.
- ◆ Activated an e-system for requesting allocation of frequencies for wireless services.
- ◆ Redeveloped the CITC website with up-to-date technology.

5.5. Internal Audit Department

The CITC Board approved, at its 61st meeting, the formation of an Internal Audit department, per Cabinet Resolution No. 129 to establish internal audit departments in all government and public institutions. An internal audit review plan has been prepared and its implementation has started.

6. Main Activities and Achievements

6.1. Promotion of Competition and Sector Development

6.1.1. 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 number of others. The total number of issued licenses was 230 at the end of 2011. These are listed in Appendix F.

In line with the program to liberalize the fixed services market and to open it for competition, the Council of Ministers issued Resolution No. 38 on 18/02/1429H (26/02/2008G) approving the award of fixed telecom licenses. Etihad Atheeb Telecom Company was issued a license on 05/04/1430H following its public offering and launched its commercial services on 12/06/1430H (06/06/2009G). The Saudi Integrated Telecom Company has made arrangements for an initial public offering, and work is currently underway with the company to complete the licensing procedures and then to launch its commercial services.

CITC continued to monitor the compliance of facilities-based fixed, mobile and data services licensees with their license obligations and commitments, including network rollout and coverage.

6.1.2. Unified Licensing and Resale

To promote competition and encourage growth of services, CITC has undertaken a project to study global trends in the areas of unified licensing and resale, their suitability for introduction in the Kingdom, their impact on the ICT services markets, and appropriate methodology and timing for their introduction in line with international best practices. The following elements of the project have been completed:

- ◆ Prepared a detailed work plan describing each stage of the project and its outputs.
- ◆ Completed an international benchmark study, a needs analysis and a gap analysis in order to understand and identify appropriate regulatory options.
- ◆ Prepared detailed impact assessments for both unified licensing and resale.
- ◆ Began implementation of licensing procedures for Mobile Virtual Network Operators (MVNOs), based on resale of mobile services, following a public consultation. The documents included a draft license, draft guidelines for MVNOs and a draft application which were finalized after the public consultation.



6.1.3. Licensing the Leasing of Telecommunications Facilities

CITC prepared a study on awarding licenses for leasing surplus telecommunications facilities (fiber optic cables and towers) owned by public utilities companies such as electricity, water and railways. The leasing of the surplus facilities would be offered to the currently licensed facilities-based ICT service providers. The study, which included evaluating the financial benefits to the 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 foster 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.

6.1.4. Licensing 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 which will facilitate transactions at the local and international levels, build confidence in validating and authenticating transactions, e-signatures and e-records, and remove barriers to completing these transactions. The license application document has been distributed to interested parties and applications have been received. They are currently under evaluation by an ad hoc committee prior to issuing the required licenses..

6.1.5. Analyzing Developments and Trends in the ICT Sector

CITC has analyzed developments and trends in the local and international ICT services markets (such as new information and content services) to determine their expected impact on the ICT sector. The final report has been prepared detailing the evolution of the markets and the expected impacts.

6.1.6. Deployment of Broadband Services

In view of the growing importance of broadband and its impact on economic and social development, on bridging the digital divide and on transforming the Kingdom into a knowledge economy and information society, CITC has undertaken a project aimed at developing plans and programs to foster deployment of broadband services throughout the Kingdom. The following elements of the project have been completed:

- ◆ Analyzed the current status of broadband deployment.
- ◆ Defined the roles and responsibilities of the stakeholders from the public and private sectors in promoting broadband deployment.
- ◆ Completed a benchmark study of international best practices.
- ◆ Developed a roadmap for the broadband strategy.
- ◆ Prepared a final report detailing all activities in the project.

6.1.7. Updating the Interconnection Guidelines

CITC has undertaken a project to update the Interconnection Guidelines originally issued under Decision 25/1424 dated 23/09/1424H. The aim is to ensure technology neutrality in the transition to next generation networks, to incorporate a number of new interconnection services to stimulate competition, and to reflect the reality of the current markets. The following elements of the project were completed in 2011:

- ◆ Completed a benchmark study of international best practices.
- ◆ Prepared a draft of updated Interconnection Guidelines.
- ◆ Prepared a draft of Guidelines for Access to Physical Facilities.
- ◆ Prepared public consultation documents for both Guidelines.
- ◆ Performed training of CITC staff.

Work is currently underway to undertake the public consultation. This will be followed by analysis of the comments received and finalization and approval of the Guidelines documents.

6.1.8. Reference Interconnection Offer (RIO)

In continuing efforts to review and periodically update the RIO submitted by STC as the dominant service provider, comments received in response to the public consultation on the draft fourth version of the RIO were analyzed together with relevant benchmarking of the services and prices being offered. The necessary amendments to the RIO were determined and a decision to approve the updated version is being issued.

6.1.9. Accounting Separation Policy

CITC has undertaken a project to review the current accounting separation policy, to study options in line with changes in the ICT sector in the Kingdom, to prepare regulations for accounting separation, and to require service providers to follow the regulations when submitting financial information regarding their different functional units. The following elements of the project have been completed:

- ◆ Completed a benchmark study of international best practices.
- ◆ Prepared a discussion paper to identify the best options and directions for accounting separation policy in the Kingdom, including other types of organizational separation.
- ◆ Conducted a public consultation on the draft policy documents, analyzed and incorporated comments in final documents, and submitted them for approval.



6.1.10. Local and International Internet Exchange Points

CITC has undertaken a project to study the effectiveness of creating Internet exchange points to serve local and international Internet traffic in the Kingdom, and also to determine whether these services should be licensed. The aim is to ultimately lead to improving Internet services, to reducing prices for end-users, to retaining local Internet traffic inside the Kingdom, and to attracting regional and international Internet traffic. The following elements of the project were completed in 2011:

- ◆ Analyzed comments from the public consultation on establishing Internet exchange points.
- ◆ Prepared a report on the need to develop or modify regulations and licensing for local and international Internet traffic.

The study concluded that there is no need for CITC regulation but rather for incentives to encourage the service providers to establish local and international Internet exchange points.

6.1.11. Performance Indicators for the ICT Services Markets

In order to monitor the ICT sector in the Kingdom and the performance of the licensees, CITC publishes a comprehensive quarterly report on performance indicators for the ICT services markets. The indicators are calculated based on data provided by the licensed service providers. The indicators were prepared and published at the end of each quarter of 2011, and this will continue in the future.

6.1.12. Mergers, Acquisitions and Bankruptcies in the ICT Sector

CITC has undertaken a project on the procedures to be followed in studying requests submitted to the Commission by service providers for approval of mergers, acquisitions or bankruptcies. Relevant statutes have been examined to determine the responsibilities of the concerned parties in the Kingdom. An international benchmark study has been undertaken, followed by a public consultation, and the responses to the public consultation have been analyzed. Currently, the final draft of these procedures is underway in preparation for its approval.

6.1.13. Number Portability

CITC is developing unified guidelines for number portability, including both fixed number portability (FNP) and an update to mobile number portability (MNP). The draft guidelines and draft public consultation documents were completed in 2011. The next steps are to undertake the public consultation, analyze the comments, and finalize the guidelines for approval and release.

In the area of managing mobile number portability, CITC monitors the actions of the service providers, oversees the number portability database, ensures the effectiveness of the number portability procedures, assures that the operators conform to the procedures, works to resolve user complaints (8,514 in 2011), resolves disputes between the operators, and considers ways to improve the service. In 2011, CITC sponsored the finalization of a Number Portability Services Agreement among all mobile service providers to facilitate number portability and launch MNP service with Zain.

6.1.14. Type Approval Laboratory

In view of the need to establish a laboratory for inspection and testing of ICT equipment to ensure conformity with its technical specifications, CITC analyzed the requirements for a type approval laboratory. This included reviewing equipment and instrumentation designed for such laboratories, holding a number of meetings and workshops with the manufacturers, as well as identifying ancillary requirements for the laboratory and including them in tender documents for a project to create an up-to-date test environment.

6.1.15. Saudi Network Information Center (SaudiNIC)

The Saudi Network Information Center (SaudiNIC) continued its activities in registering and administering Internet domain names. The SaudiNIC has also approved a number of important additions to the services provided to users through the electronic services portal which will allow users greater flexibility and speed. The following are the major accomplishments during 2011:

- ◆ Issued a new Version 3 of the rules and regulations for registering domain names. Along with a number of other changes, the highlight of the new version is the consolidation of Arabic domain names into the regulations.

- ◆ Issued a new Version 1.1 of the rules for objection to Saudi domain names.
- ◆ Issued a complementary document to the rules for objection to Saudi domain names. The document explains and clarifies the most important items of the procedures for objection including the requirements for each step, the sequence of steps, and how to handle the objection.
- ◆ Issued guidelines for the construction of Arabic domain names within the top level domain for Saudi Arabia (السعودية). The document defines rules for correct formulation of domain names taking into account idiosyncrasies with the Arabic script.
- ◆ Opened the registry to allow domain names within the top level domain for Saudi Arabia (.sa) such as *www.nic.sa*, which do not include the usual lower levels such as *.com*, *.net* or *.org*.

6.1.16. Increasing Readiness for the Transition to IPv6

Due to the rapid developments in uses of the Internet, the large increase in IP-based networks, and the consumption of over 90% of the available addresses within IPv4 currently in use, CITC continued its efforts to increase the readiness in the Kingdom for the transition to IPv6. IPv6 will provide a huge number of IP addresses to meet present and future requirements. The following are the major accomplishments during 2011:



- ◆ Conducted the second IPv6 Workshop which included a number of working papers from Saudi and foreign experts.
- ◆ Held the tenth meeting of the IPv6 Working Group in Jeddah.
- ◆ In coordination with the Saudi Arabian Monetary Agency (SAMA), conducted an IPv6 workshop for representatives of the banking industry.
- ◆ Conducted two training programs on IPv6 in collaboration with the Middle East Network Operators Group (MENOG) and the RIPE Regional Internet Registry.
- ◆ Conducted IPv6 training programs, one in Riyadh for service providers and other interested parties, another in Dhahran for Aramco employees.
- ◆ Connected several entities with the CITC IPv6 test lab.
- ◆ Increased the number of Saudi entities with IPv6 address space to 25, adding six in 2011.

6.1.17. Developing the ICT Sector

CITC has undertaken a program (*Tahfeez*) to develop the ICT sector in Saudi Arabia which focuses on key enabling factors and encourages local ICT companies to increase their competitiveness and maturity level. The program aims to support the growth of a national ICT industry and reduce dependence on imported products and services. A long-term

goal is to establish national ICT champions that will drive growth and employment in the sector. The following elements of the project were completed in 2011:

- ◆ Registered the name and logo of the *Tahfeez* project as a trademark with the Ministry of Commerce.
- ◆ Adopted a categorization standard for local ICT companies, and designed and developed an ICT directory in the Kingdom.
- ◆ Launched the ICT directory and encouraged local ICT companies to register.
- ◆ Developed and adopted the *Tahfeez* scoring model and registration form.
- ◆ Conducted a workshop that formally launched the program and encouraged local companies to register.
- ◆ Received 54 applications to join *Tahfeez* phase 1 and nominated the 19 best applicants based on the scoring model.
- ◆ Nominated the top four companies for phase 3 and identified potential support needed by each candidate.

6.2. Consumer Protection

6.2.1. User Complaints

In fulfilling its responsibilities regarding protecting consumer rights, CITC handled 15,064 complaints in 2011 compared to 16,033 in 2010. Most complaints pertained to billing, nuisance calls, service interruptions, quality of service, disconnection of service and mobile number portability (MNP).

6.2.2. e-Complaints System

To assist in protecting consumer rights, CITC developed an e-complaints system in both Arabic and English. This allows ICT users to quickly and easily register and follow up complaints against service providers, and it helps CITC staff and service providers address these complaints. The system was launched on the CITC website in 03/1432H and has registered 12,752 complaints. The system has also been linked to the service providers to facilitate speedy problem determination and resolution.

6.2.3. Violations Committee

The CITC Violations Committee considered 307 reported violations and issued decisions. Most violations were related to cable cuts, making calls in an illegal manner, sales of unlicensed ICT equipment, and illegal prepaid cards, in addition to violations related to telecom license terms and conditions, number portability and others.

6.2.4. Tariff Regulation for ICT Services

In order to protect consumer rights and promote fair competition, CITC has undertaken a project to implement best practices in tariff regulation for all operators. An international benchmark study has been conducted, a draft regulatory framework has been prepared and sent out for public consultation, and comments received have been analyzed in preparation for approval.

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

- ◆ Approved the amended iPhone4 tariff package.
- ◆ Approved the amended *Sawa* tariff package for international mobile service.
- ◆ Approved the *Aamal Net* tariff for business service.
- ◆ Approved the amended tariff for international calling and international short message service (SMS) from *Sawa* prepaid mobiles.
- ◆ Approved the tariff for high-speed Internet service on fiber optic technology (FTTH – 40Mb/s).
- ◆ Approved new tariff packages for postpaid and prepaid mobile broadband.
- ◆ Approved another amended iPhone4 tariff package.
- ◆ Issued regulations on the issuance and transfer of prepaid credit balances.



- ◆ Approved the amended iPhone4 tariff package for individuals.
- ◆ Approved the amended iPhone4 tariff package for business.
- ◆ Approved the ICT performance indicators.
- ◆ Approved the amended tariff package for business mobiles.
- ◆ Approved the *Student Key* package for postpaid mobiles.
- ◆ Approved the amended *Sawa Ziyara* package for prepaid mobiles.

6.2.5. Quality of Service

In order to protect consumer rights and to ensure high quality ICT services, CITC conducted a comprehensive review and analysis of all the periodic technical reports submitted by the service providers. CITC also maintained a continuous review and follow-up process with the service providers to improve the quality of their services. Additionally, CITC carried out field testing to ensure that quality of service was maintained during certain promotional offers.

6.2.6. Increasing the Level of Customer Satisfaction with ICT Services

Based on its responsibilities to foster the highest levels of customer satisfaction with ICT services in the Kingdom, and taking into account the need not to burden the operators

with significant additional costs which could be passed on to consumers, CITC formed a team to study the issues and make appropriate recommendations. A report has been submitted to the Governor for approval and action.

6.2.7. 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 with undesirable content and to protect users. The following are the major accomplishments during 2011:

- ◆ Handled 1,274,163 requests for blocking, unblocking and abuse.
- ◆ Coordinated and cooperated with a number of global content providers to remove child pornography from their websites.
- ◆ Enabled the blocking of embedded Uniform Resource Locators (URLs) which led to unblocking translation services, and limited accessibility to blocked websites.
- ◆ Continued improving functionality of the Filtering Management System.
- ◆ Prepared awareness documentation on how to use safe Internet tools available on some operating systems, family protection programs and Internet sites.
- ◆ Participated in meeting of the Standing Committee on Internet Security.

6.2.8. Internet Development Plan

CITC has undertaken a project for an action plan for the development of Internet services in the Kingdom over a three-year period. The project has the following phases: (1) Internet status assessment; (2) benchmark best practices and trends; (3) Internet resiliency report; (4) gap analysis; (5) Internet development plan; and (6) Internet development roadmap and three-year plan.

The project launched in 2011. The project plan and the first three phases were completed. Several meetings were held with the service providers during the project phases as inputs to the analysis, statistics and findings.

6.2.9. Electronic System for Customs Release and Type Approval of ICT Equipment

CITC has undertaken a project to develop an electronic system for Customs release and type approval of ICT equipment and to create a database of approved equipment and Customs clearances. The system will support domestic and foreign submission of applications electronically through an Internet portal. In addition, the system will execute CITC procedures, link to the Customs system, fully automate the processes, and keep applicants informed electronically throughout the whole process. The following are the major accomplishments during 2011:

- ◆ Concluded the work on the modified work flow and procedures that will be used within the system.
- ◆ Concluded the requirements gathering stage for linking with the Customs system and for developing and managing the system.

6.2.10. Overseeing Telecom Services during Ramadan and Hajj

In order to fulfill its responsibility to ensure the provision of high quality ICT services to pilgrims, CITC formed a task force of specialists to monitor the performance of ICT services in Makkah, Madinah and the Holy Places during the Ramadan and Hajj seasons. Major activities are listed in Appendix D.6.

6.2.11. National Program to Increase Awareness of Information Security

CITC has undertaken a national program to increase awareness of information security over a five-year period. The program contains a broad range of time-based plans, information campaigns and measurement tools that focus on public awareness of information security for all segments of society. The following are the major accomplishments during 2011:

- ◆ Selected and prioritized the project tracks and the related information security topics.
- ◆ Defined the segments of society and selected the delivery channels.
- ◆ Selected the information security awareness messages for each track and developed a five-year plan for the national program.

6.2.12. Awareness Campaign on the Best Use of ICT

Among the objectives of CITC is to increase public awareness of how to make the best use of ICT, to promote a digital culture, and to protect the users of ICT services. In this regard, CITC has used several channels during the year to carry out the following awareness-enhancing activities:



- ◆ Launched a project to cooperate with government agencies in the area of awareness and distributed over 200,000 brochures.
- ◆ Distributed over 115,000 awareness brochures to students at various grade levels and their parents, in cooperation with the King Abdullah Project for General Education Development.
- ◆ CERT issued seven new versions of awareness brochures on information security.
- ◆ Distributed over 35,000 brochures targeting specific audiences through various distribution channels such as exhibitions, conferences and seminars.
- ◆ Broadcast awareness messages through social media network channels in which CITC is present.

6.2.13. Field Measurements of Electro-magnetic Radiation

In cooperation with leading academic and research institutions in the Kingdom, CITC has undertaken a program to monitor the conformity of service providers with regulations on electromagnetic radiation from wireless base stations. Field measurements have been conducted at a number of sites to determine the level of human exposure to radio frequency emissions. All measurements to date indicate that radiation levels are about 100 times below allowable levels per international standards.

6.3. Management of Scarce Resources

6.3.1. Frequency Management and NFP Implementation

The National Frequency Plan (NFP) was approved by the Council of Ministers in Resolution No. 61 dated 02/03/1429H (10/03/2008G). It defines the allocation of frequency bands for different radio services and user categories to meet the needs of radio spectrum users in the Kingdom and in line with global best practices. The NFP went into effect on 02/05/1429H with an implementation schedule divided into two-, three- and five-year time frames. The following are the percentages of the frequencies that have been vacated at the end of 2011.

	Assignment level	Clearance %
Frequencies to be vacated within two years	Kingdom-wide	45.0%
	Region-wide	19.7%
	City-wide	96.4%
	Specific locations	96.8%
Frequencies to be vacated within three years	Kingdom-wide	0.5%
	Region-wide	64.9%
	City-wide	24.4%
	Specific locations	11.3%
Frequencies to be vacated within five years	Kingdom-wide	15.7%
	Region-wide	12.0%
	City-wide	17.0%
	Specific locations	13.3%

As shown in the table, there is a significant delay in the execution of the Plan compared to the target. This delay is due to the unresponsiveness of some government agencies in implementing their parts of the Plan. CITC will continue to follow up the NFP implementation and require that spectrum be vacated in line with the time frame adopted in the NFP.

CITC continued to undertake other activities in the area of frequency management as described in Appendix D.1.

6.3.2. National Numbering Plan

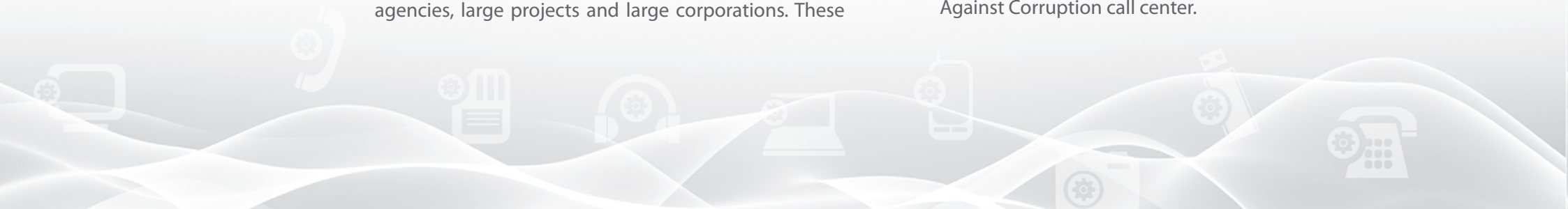
In line with the CITC objective to update the National Numbering Plan (NNP) to keep pace with future growth requirements and to provide the flexibility to accommodate new technologies and services, an updated draft of the National Numbering Plan was prepared. A public consultation was undertaken, and comments were analyzed and incorporated to develop the final Plan which was approved by the Board in Decision 5/96 dated 23/09/1432H.

In terms of managing the NNP, applications for numbers and codes submitted by service providers and other agencies were reviewed and decided. CITC also coordinated with the International Telecommunication Union (ITU) on numbering for wireless networks. The following are some of the major activities during 2011:

- ◆ Reviewed the Zain application to complete the allocation of the '058' range.
- ◆ Reviewed a number of STC applications to allocate geographic number ranges for universities, government agencies, large projects and large corporations. These

included Princess Noura Women's University and the university in Qassim.

- ◆ Followed up allocation and activation of short code '986' for the Diplomatic Security Forces call center.
- ◆ Reviewed the Etihad Atheeb application for nomadic numbers.
- ◆ Reviewed the request for a single easily-remembered number for the Royal Court.
- ◆ Reviewed the STC applications for mobile voice and data numbers.
- ◆ Reviewed the Zain and Mobily applications for mobile numbers.
- ◆ Reviewed the Integrated Telecom Company (ITC) application for number ranges.
- ◆ Reviewed the request for new geographic number ranges to be allocated for next generation networks (NGN).
- ◆ Reviewed the application to reserve '920050200' for the *Hafez* Charity call center.
- ◆ Reviewed the Zain application for short code '1414'.
- ◆ Calculated annual fees for number allocations and initiated their collection.
- ◆ Allocated short code '987' for the emergency command and control center for pilgrimage security.
- ◆ Allocated short code '19991' for the National Commission Against Corruption call center.



- ◆ Allocated unified SMS code '501111' for use by the Real Estate Development Fund for loan applications.
- ◆ Allocated unified SMS code '510200' for use by the Ministry of Labor for the *Hafeez* employment incentive program.
- ◆ Allocated unified SMS code '500200' for use by the Human Resources Development Fund for jobseeker allowance applications.
- ◆ Allocated short code '19911' for the Ministry of Labor hotline for expatriate workers.
- ◆ Allocated unified SMS code '510000' for use by the National Center for Measurement and Evaluation in Higher Education.
- ◆ Allocated unified SMS code '504444' for use by the Saudi Press Agency news service.
- ◆ Allocated unified SMS code '500100' for use by the Centennial Fund for fundraising.
- ◆ Allocated unified SMS code '500101' for use by the Saudi Commission for Tourism and Antiquities.
- ◆ Allocated a number of 4-digit humanitarian unified SMS codes to receive charitable donations, including '5565' for alleviation of the suffering in Somalia.

6.4. Regulatory Environment and Transparency

6.4.1. Review of CITC Regulations

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

6.4.2. Updating the Regulatory Framework

CITC continued to update the ICT regulatory framework in response to sector and market changes and in line with global trends and international best practices. The following are the major activities during 2011:

- ◆ Documented procedures for establishing and canceling postpaid services.
- ◆ Approved a fair usage policy for the *Jood Plus* family of services.
- ◆ Established a mechanism for determining the number of SIM cards registered to a user.
- ◆ Established additional regulations for issuing and transferring prepaid credits.
- ◆ Established regulations for promotional offers for mobile services.

6.4.3. Public Consultations

In accordance with its established principles of fairness, clarity, transparency and commitment to balance among all stakeholders, including individual and business users, investors, service providers, Government and the national interest, CITC continued to conduct public consultations on key ICT policy issues. These are listed in Appendix C.

6.4.4. CITC Decisions

CITC continued to issue key regulatory Decisions related to important issues in the ICT sector and to ensuring the adherence of licensed service providers with the terms and conditions of their licenses. Appendix B lists the 16 Decisions issued during 2011.

6.4.5. Performance Indicators for the ICT Markets

CITC continued to prepare quarterly reports of ICT performance indicators based on analysis of data received from the service providers. These were published on the CITC website.

6.4.6. Report on the IT Sector

The Information Technology (IT) sector needs to overcome many obstacles and to take advantage of available opportunities in order both to develop the sector and to attract further investment. Accordingly, in 2009, CITC launched

a project to issue an annual report on the status of the IT sector in the Kingdom to increase public attention on the issues and 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. The second report was prepared, approved and published in 2011. In addition, a forum was organized and attended by more than 450 participants to raise awareness of the issues in the IT Report and to discuss its recommendations and ways to increase stakeholder cooperation in the sector. The outcomes of the forum were announced and over 6,000 copies of the report were distributed.

6.4.7. Media Activities

CITC recognizes its mission to educate users and the public, to gauge public opinion and to promote investment opportunities in the sector. Accordingly, CITC appointed a spokesman responsible for media relations, participated in a number of media activities and events as listed in Appendix D.5, and released a quarterly electronic bulletin on ICT sector performance.

6.5. 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.



7. Universal Service Fund (USF)

7.1. Review of the Universal Service/Universal Access Policy

The USF has undertaken a project to review the universal service/universal access policy at least every two years, taking into account economic, social, cultural and technical developments, as well as the extent of expansion of universal service/universal access in the Kingdom, the evolution of the ICT markets in the Kingdom, future trends, and the potential for achieving the universal service/universal access goals for voice and broadband Internet service. The following are the major accomplishments in 2011:

- ◆ Prepared a study on the ICT sector in the Kingdom to determine the extent of expansion of voice and broadband Internet services and the evolution of the ICT markets.
- ◆ Prepared a USF benchmarking study to identify international best practices and to benefit from the successful experiences of other countries, as well as to assess various aspects of the management of the Fund, including its procedures, plans and programs.
- ◆ Prepared a discussion document based on the results and recommendations of the ICT sector study and the benchmarking study.

The policy is being updated in light of these studies. It will

be sent for public consultation before being finalized and submitted to the CITC Board for endorsement and to the Ministry of Communications and Information Technology (MCIT) for approval.

7.2. Market Study

The USF has prepared a market study and comprehensive analysis of the ICT sector in the Kingdom, including a preliminary survey of the services required in all administrative areas of the Kingdom, in order to update the USF strategic and operational plans, the database of USF service locations and the financial model. In this context, the initial phase of the evaluation of Geographic Information Systems (GIS) requirements was launched in 2011.

7.3. Study to Identify ICT Service Areas

The USF has undertaken a study to identify the localities that are not served by ICT services and to analyze the gap in voice and broadband Internet services. This was done by plotting a map of ICT services throughout the Kingdom and representing the services geographically. The following are the major activities during 2011:

- ◆ Collected and analyzed official data from the Central Department of Statistics and Information (CDSI) based on the preliminary results of the population and housing census of 1431H. These included population and demographic distribution, urban sites, social and economic groups, and the names of localities. Coordinated with other government agencies to obtain supplementary data to update the USF database.
- ◆ Updated and analyzed ICT services and coverage based on the data and maps of ICT services coverage provided by the service providers as part of their bids for USF projects.
- ◆ Integrated all population data and updated ICT services coverage data in the GIS model.
- ◆ Updated the USF database to include demographic data, administrative structure, geographical coordinates and ICT services coverage available in each locality.

7.4. Study of Requests for Service in Remote Areas

Part of the USF effort to oversee the implementation of the universal service/universal access policy is to monitor, study and analyze service requests for unserved remote areas that are submitted by individuals and by some government agencies. The USF then considers the possibility of covering these areas in its projects in accordance with the policy and regulations that govern its work. The following are the major accomplishments during 2011:

- ◆ Considered the possibility of serving 2,474 localities in its projects that were contained in 297 service requests and complaints.
- ◆ Included 26 localities contained in service requests within the scope of the USF Pilot Project (Project #1) currently being implemented.
- ◆ Included 51 localities contained in service requests within the scope of USF Project #2 currently being implemented.
- ◆ Included 361 localities contained in service requests within the scope of USF Project #3 currently being implemented.
- ◆ Included three localities contained in service requests within the scope of USF Project #4 currently being implemented.



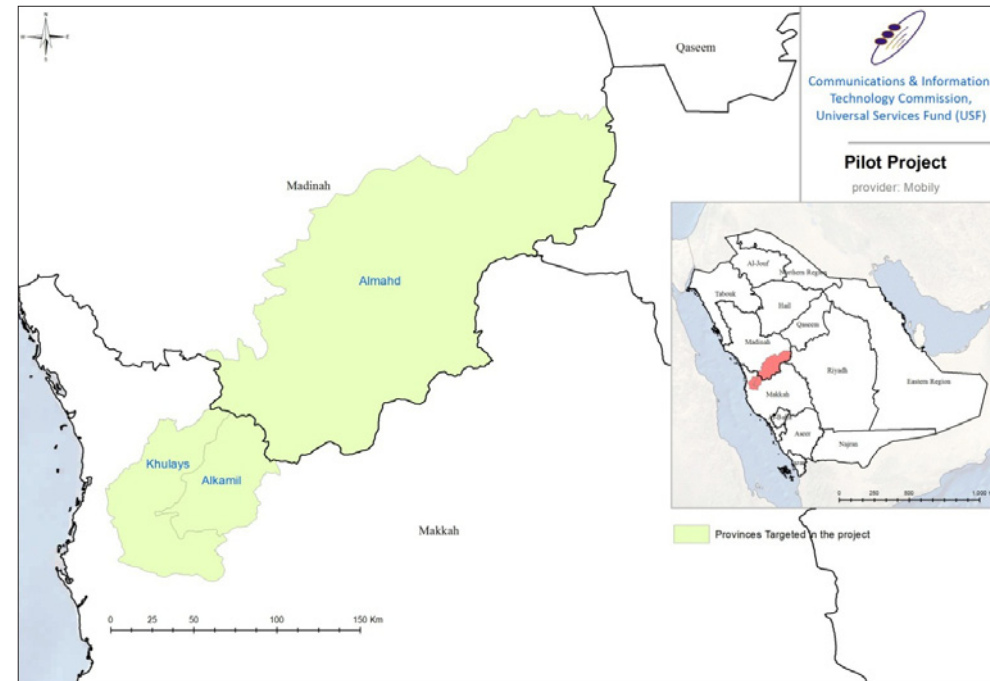
7.5. Planning and Implementation Activities

Continuing its efforts to achieve the policy objectives and to implement the strategic plan within the approved time frame, the USF prepared operational plans containing the main programs and projects for each operational year. The plans identify the structures and implementation methods of the projects, clarify the USF program outputs in general, define the scopes of work and estimate project costs. The main activities and achievements of the operational plans are described in the following sections.

7.5.1. Pilot Project

The Pilot Project was intended to evaluate alternative methods of providing USF voice and broadband Internet service; to evaluate the technical, financial and administrative options; and to assess the challenges related to quality and economic feasibility, market response, service models and technical specifications. The scope of the project covered 482 localities each with a population under 5,000 in the administrative areas of Khulays and Alkamil in Makkah Region and in the administrative area of Almahd in Madinah Region, as shown in Figure 9. The RFP documentation was tendered, the bids were analyzed and evaluated, the project was awarded, and a USF service agreement was signed with the successful bidder, Mobily, for completion within two years.

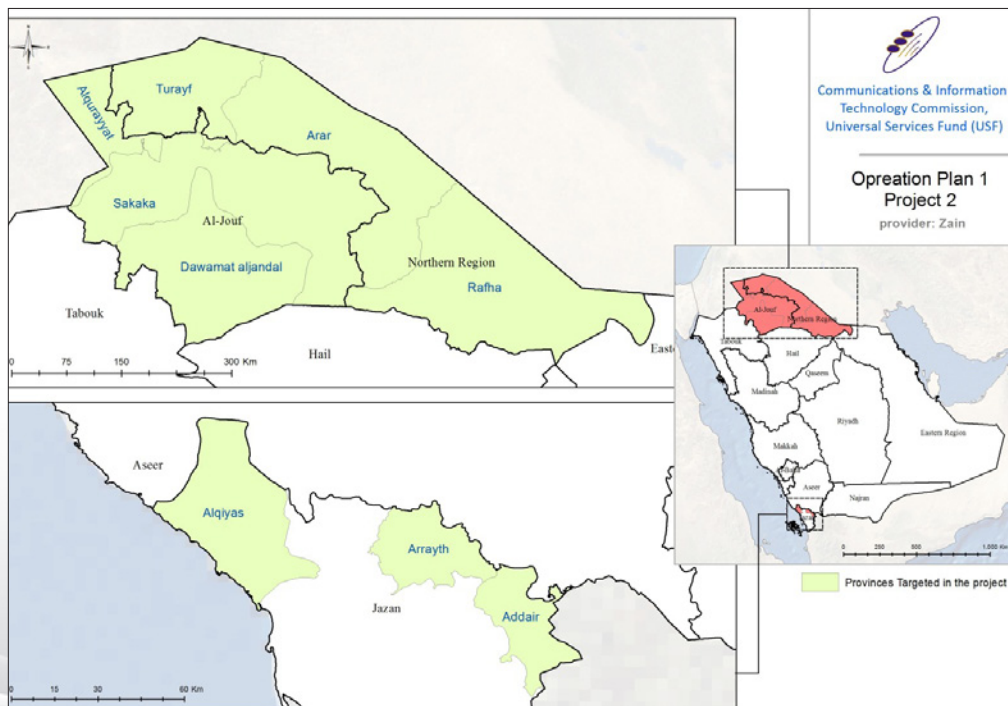
Figure 9.
Target administrative areas within the Pilot Project



7.5.2. The First Operational Plan

The USF prepared and obtained approval of the First Operational Plan for the year 2010. The scope included a single project, USF Project #2, covering 538 localities in all administrative areas in Northern Border Region (Arar, Rafha and Turayf), in all administrative areas of Al-Jouf Region (Alqurayyat, Dawamat Aljandal and Sakaka), and in the administrative areas of Alqiyas, Arrayth and Addair in Jazan Region, as shown in Figure 10. The RFP documentation was tendered, the bids were analyzed and evaluated, the project was awarded, and a USF service agreement was signed with the successful bidder, Zain, on 29/12/2010, for completion within two years.

Figure 10. Target administrative areas within the First Operational Plan



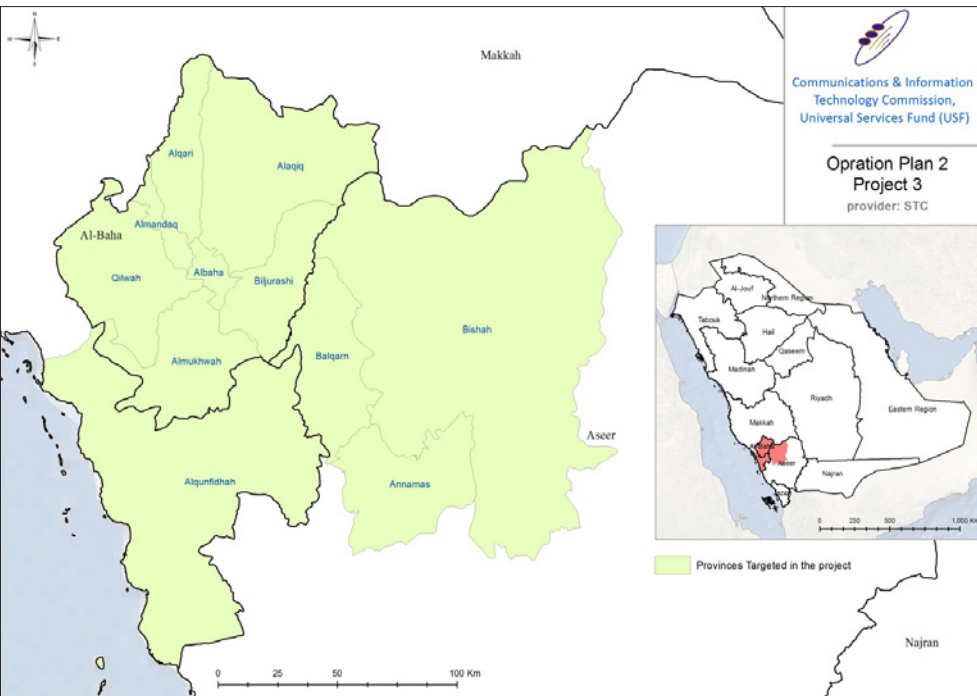
7.5.3. The Second Operational Plan

The USF prepared and obtained approval of the Second Operational Plan for the year 2011. The scope included two projects.

A. USF Project #3

This project covered 2,457 localities in the administrative area of Alqunfidhah in Makkah Region, in the administrative areas of Annamas, Balqarn and Bishah in Asir Region, and in all administrative areas of Al-Baha Region (Alaqiq, Albaha, Almandaq, Almukhwah, Alqari, Biljurashi and Qilwah), as shown in Figure 11. The RFP documentation was tendered, the bids were analyzed and evaluated, the project was awarded, and a USF service agreement was signed with the successful bidder, STC, on 13/09/2011, for completion within two years.

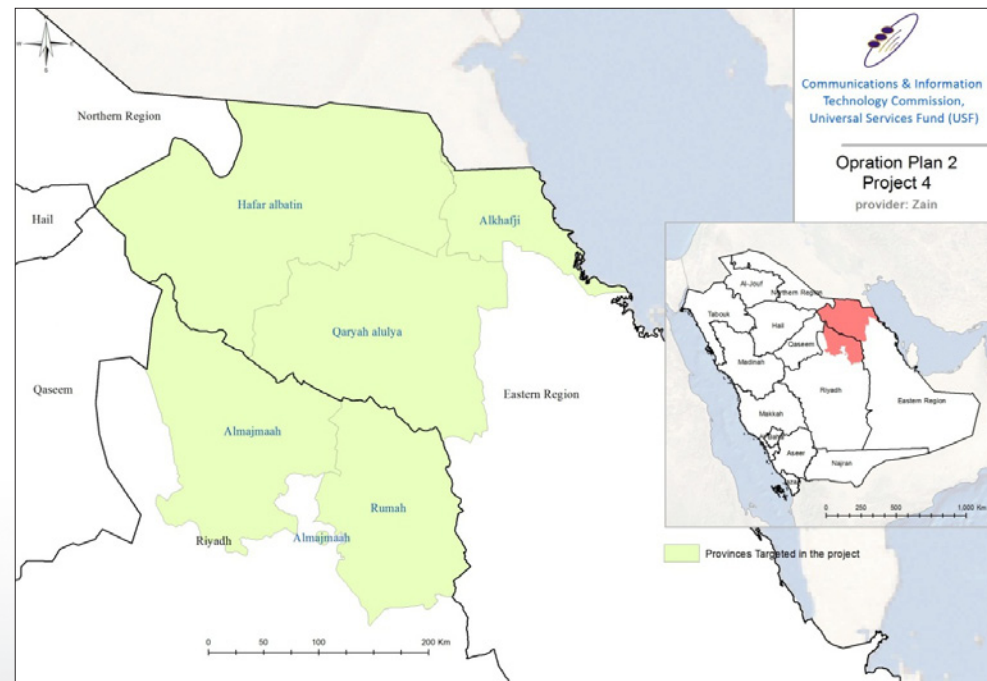
Figure 11. Target administrative areas in the Second Operational Plan, Project #3



B. SF Project #4

This project covered 347 localities in the administrative areas of Almajmaah and Rumah in Riyadh Region and in the administrative areas of Alkhafji, Hafar Albatin and Qaryah Alulya in Eastern Region, as shown in Figure 12. The RFP documentation was tendered, the bids were analyzed and evaluated, the project was awarded, and a USF service agreement was signed with the successful bidder, Zain, on 13/09/2011, for completion within two years.

Figure 12. Target administrative areas in the Second Operational Plan, Project #4



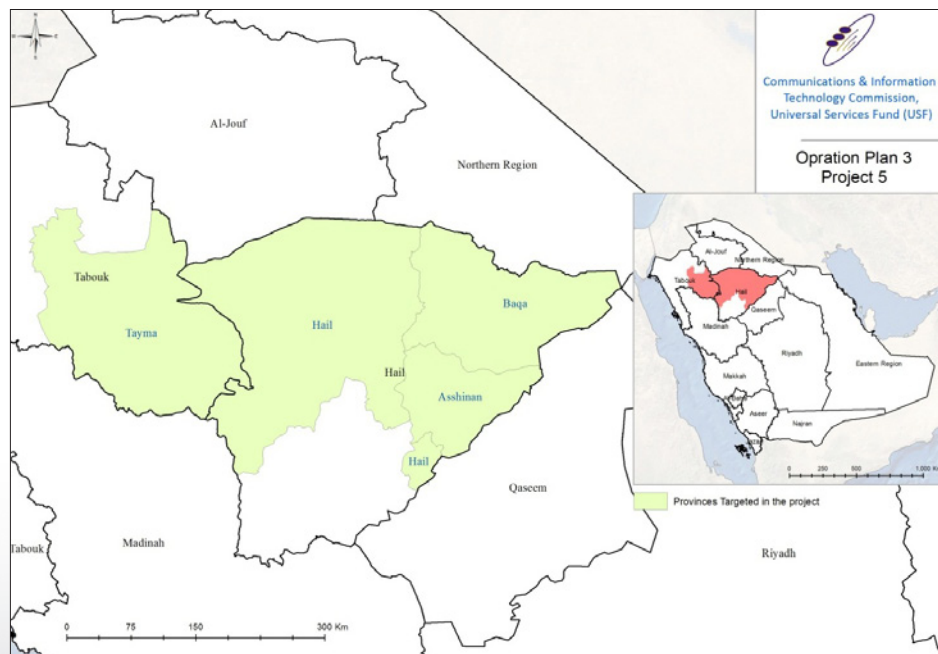
7.5.4. The Third Operational Plan

The USF prepared and obtained approval of the Third Operational Plan for the year 2012. The scope included two projects.

A. USF Project #5

This project covers 412 localities in the administrative area of Tayma in Tabuk Region and in the administrative areas of Asshinan, Baqa and Hail in Hail Region, as shown in Figure 13. The project will be tendered and awarded in 2012.

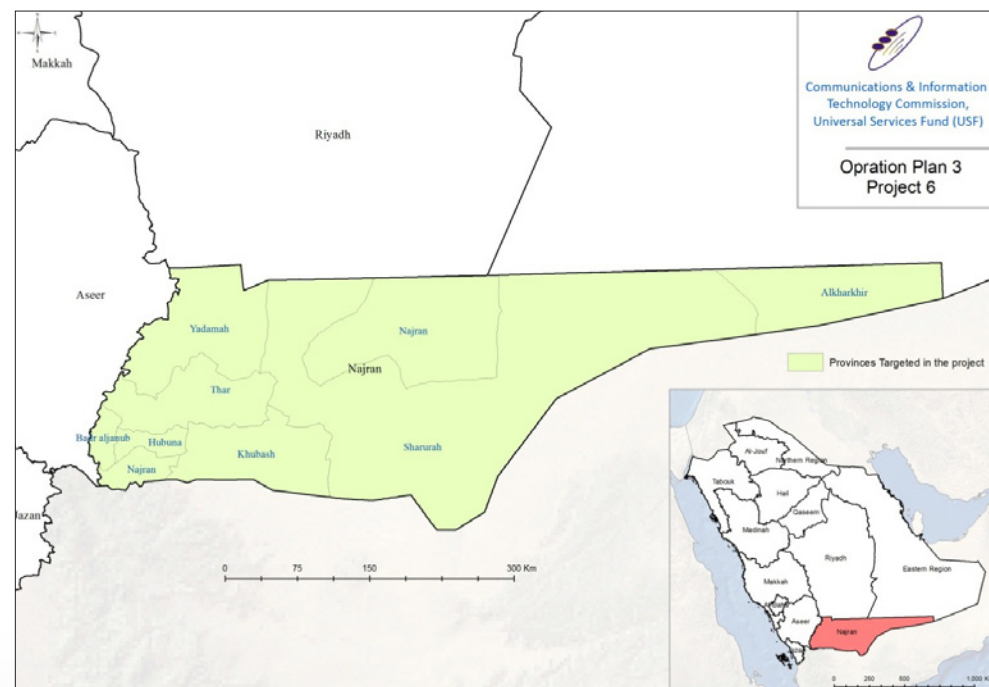
Figure 13. Target administrative areas in the Third Operational Plan, Project #5



B. USF Project #6

This project covers 257 localities in all administrative areas of Najran Region (Alkharkhir, Badr Aljanub, Hubuna, Khabash, Najran, Sharurah, Thar and Yadamah), as shown in Figure 14. The project will be tendered and awarded in 2012.

Figure 14. Target administrative areas in the Third Operational Plan, Project #6

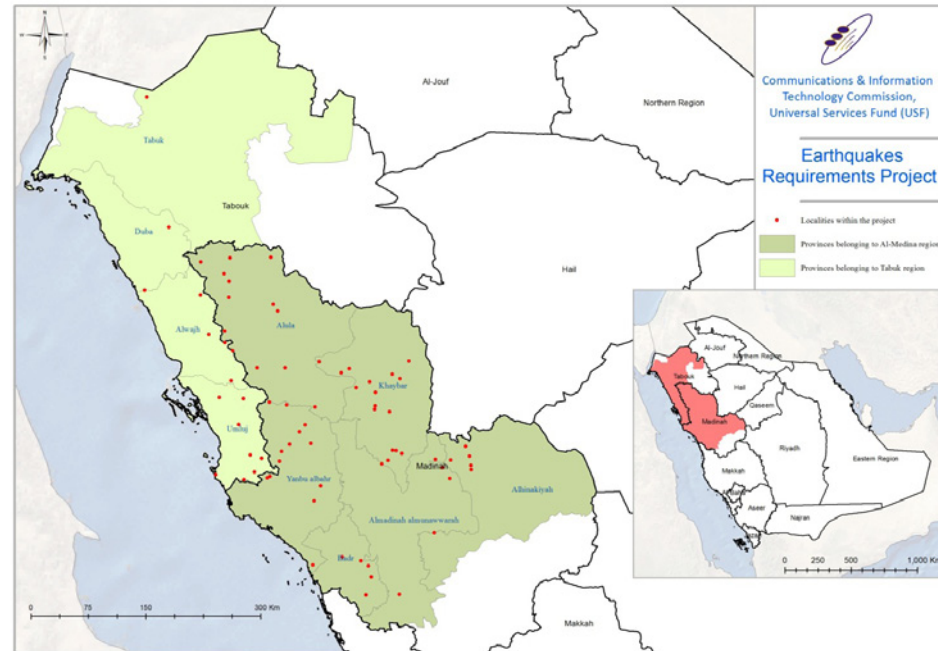


7.6. Special Earthquake Project

Following the earthquake that affected both Madinah and Tabuk Regions, Royal Decree 7747/MB was issued on 10/09/2009 and a committee was formed that included several government agencies. Paragraph 10 of the minutes of the committee meeting, approved on 02/08/2009, reads: "The Ministry of Communications and Information Technology should collaborate with the Communications and Information Technology Commission to study the possibility of providing telephone services in the areas concerned and in vulnerable remote areas, God forbid, and coordinate with the licensed telecommunications companies to provide service in those areas."

Accordingly, His Royal Highness the President of the Council of Civil Defense directed the relevant authorities, each working in their own capacity, to maintain the safety of citizens and to secure their livelihoods. At the direction of His Excellency the Minister of Communications and Information Technology, the USF has studied the possibility of providing the required services in the relevant locations in both Madinah and Tabuk Regions, as shown in Figure 15, and established a special project within the USF program. The project will be tendered in 2012.

Figure 15. Earthquake locations covered by the special project



7.7. Financial Activities

Financial activities included preparing and obtaining approval of the annual budget and financial statement, in addition to managing operational expenses according to approved procedures.

8. Studies

A number of studies were conducted during 2011 and some of the most important are described in the following sections.

8.1. Quality of End-user Connections to the International Internet

Based on its responsibility to monitor the level of ICT services, as embodied in the quality of service scheme, CITC undertook a study to determine a method to measure the quality of end-user connections to the international Internet. The study was completed in coordination with international specialists in the field. A method was selected and a measurement service was launched on the CITC website.

8.2. Annual Fees for Telecom Infrastructure

CITC undertook a benchmark study on annual fees for the construction of communications towers and for digging permits to build out telecom infrastructure. The study included a number of countries from different regions, including some Gulf countries. The study was completed and concluded that many states, and particularly those which are geographically large such as Saudi Arabia, do not impose such annual fees in order to encourage deployment of services.

8.3. ICT Infrastructure in the King Abdullah Residential Suburb in Jazan

CITC completed a study on ways to establish the infrastructure for all services, including ICT services, in the King Abdullah residential suburb in Jazan without relying on a budget allocation for the implementation. This was directed in Royal Decree 4725/MB dated 21/07/1432H.

8.4. SIM Boxes

CITC completed a study on ways to limit the use of illegal SIM boxes. These are devices that are connected to two networks such that incoming calls on one network are routed as outgoing calls on the other, both appearing to be on-network calls. They can be used illegally to connect to the Internet, via a licensed Internet Service Provider (ISP) or global satellite provider, to receive incoming international calls on the Internet and route them to the national network. The study identified indicators to detect these devices, as well as methods to report them and the SIM numbers used to illegally connect these calls. Information on detecting these devices and the SIM numbers was sent to the service providers for action.



8.5. Carrier Selection

CITC completed a study to assess the feasibility and suitability of implementing carrier selection in the Kingdom in light of changes and developments in the ICT sector. The study included benchmarking international best practices and financial analysis using a cost model. The study concluded that there was no need to implement carrier selection and suggested alternatives such as resale and Voice over IP (VoIP).

8.6. Other Studies

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

9. 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 policies of the Ninth Development Plan, for the period 2010 to 2014, and a summary of the major accomplishments of CITC in this regard.

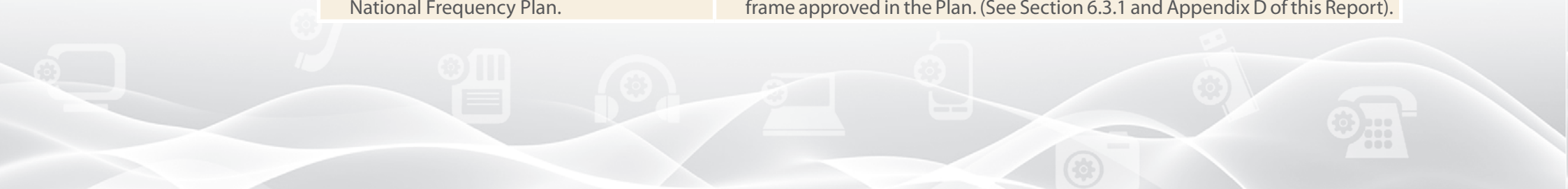
Policies of the Ninth Development Plan ¹	CITC Accomplishments
<ul style="list-style-type: none"> ◆ Continue efforts and programs to liberalize and regulate the ICT sector. 	<ul style="list-style-type: none"> ◆ CITC continued its efforts to promote competition through issuing new licenses for a number of services and terminating other licenses. The total number of licenses was 230 at the end of 2011. ◆ CITC continued its efforts to fulfill its objectives and responsibilities, including implementing a number of programs and projects, such as the following: <ul style="list-style-type: none"> • Progress toward completing the process for issuing licenses for fixed telecommunication services. • Studies and regulatory frameworks necessary for unified licensing and resale. • Progress toward completing the process for issuing licenses for leasing surplus telecommunication facilities owned by public utilities. • Progress toward licensing Mobile Virtual Network Operators. • Updating the procedures for tariff approval for retail and wholesale telecommunication services in order to reduce the burden on the operators, stimulate competition, lower prices and improve quality of service.
	<ul style="list-style-type: none"> • Completing the study of ICT market definition and dominance. Four of the identified markets are fully liberalized leading to increased competition and better services at lower prices. ◆ CITC continued to oversee the progress of the fixed, mobile and data service providers with respect to their network rollout plans and coverage, as described in the proposals submitted to obtain their licenses.
<ul style="list-style-type: none"> ◆ Deploy broadband networks in all regions of the Kingdom. 	<ul style="list-style-type: none"> ◆ By the end of 2011, the number of subscriptions to fixed broadband services had increased to 1.95 million, representing 33% of households, and total mobile broadband penetration had reached 39.6% of the population.



Policies of the Ninth Development Plan ¹	CITC Accomplishments
<ul style="list-style-type: none"> Extend broadband networks and high-speed Internet to all schools, universities, hospitals, government agencies and civil society institutions. 	<ul style="list-style-type: none"> 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 for a broad range of data services and high-speed Internet access at affordable prices. This makes development of broadband services a cornerstone for the success of the Development Plan in the Kingdom over the next few years. CITC has carried out a number of specialized studies of the ICT sector to determine the best ways to transition to a knowledge economy and to identify the major obstacles to the spread of broadband services of the required capacity and quality. In view of the importance of aligning efforts among all relevant agencies, several meetings have been held with a number of government agencies, public institutions, ICT service providers, and public and private companies, resulting in development of a long-term vision for the evolution of broadband services in the Kingdom. Initiatives were developed to address the obstacles to the spread of broadband services in the Kingdom and to facilitate access to these services by all segments of society. A roadmap was also developed for implementation of these initiatives after their approval.
	<ul style="list-style-type: none"> The Strategic Plan of the Universal Service Fund has been approved and has determined the scope of work for localities with a population under 5,000, representing 18.2% of the total population of the Kingdom. The Plan includes providing voice service to 5,626 localities (or 36% of the total of 15,428 localities) and broadband connectivity and Internet access services to about 98% of all localities, including all educational and health care institutions and other service agencies in these localities.



Policies of the Ninth Development Plan ¹	CITC Accomplishments
<ul style="list-style-type: none"> ◆ Employ the resources of the Universal Service Fund to provide services in the areas most in need. 	<ul style="list-style-type: none"> ◆ The USF pilot project has been launched, providing voice and broadband Internet services in the administrative areas of Khulays and Alkamil in Makkah Region and in the administrative area of Almahd in Madinah Region. A contract was awarded in the amount of SAR 50 million for completion within two years. The project is 95% completed. ◆ USF Project #2 (First Operational Plan) has been launched, providing voice and broadband Internet services in all administrative areas of Al-Jouf Region (Alqurayyat, Dawamat Aljandal and Sakaka), in all administrative areas of Northern Border Region (Arar, Rafha and Turayf), and in the administrative areas of Alqiyas, Arrayth and Addair in Jazan Region. A contract was awarded in the amount of approximately SAR 40 million for completion within two years. ◆ The Second Operational Plan (USF Projects #3 and #4) has been launched. Project #3 provides voice and broadband Internet services in all administrative areas of Al-Baha Region (Alaqiq, Albaha, Almandaq, Almukhwah, Alqari, Biljurashi and Qilwah), in the administrative areas of Annamas, Balqarn and Bishah in Asir Region, and in the administrative area of Alqunfidhah in Makkah Region. The project was tendered and a USF service agreement was signed with the successful bidder, STC, in the amount of SAR 29.5 million, on 13/09/2011, for completion within two years. The project is 25% completed. <p>Project #4 provides voice and broadband Internet services in the administrative areas of Almajmaah and Rumah in Riyadh Region and in the administrative areas of Alkhafji, Hafar Albatin and Qaryah Alulya in Eastern Region. The project was tendered and a USF service agreement was signed with the successful bidder, Zain, in the amount of approximately SAR 15.1 million, on 13/09/2011, for completion within two years.</p>
<ul style="list-style-type: none"> ◆ Manage the frequency spectrum efficiently, enhance its capacity, and accelerate the implementation of the National Frequency Plan. 	<ul style="list-style-type: none"> ◆ CITC continued to follow up the implementation of the National Frequency Plan (NFP). CITC has requested all agencies with frequency allocations which no longer conform to the NFP to vacate those frequencies within the time frame approved in the Plan. (See Section 6.3.1 and Appendix D of this Report).



Policies of the Ninth Development Plan ¹	CITC Accomplishments
<ul style="list-style-type: none"> ◆ Continue to develop and update ICT standards. 	<ul style="list-style-type: none"> ◆ CITC has completed the project to update the ICT technical specifications. ◆ CITC staff have been trained on the application of the updated technical specifications and on the mechanisms for updating the technical specifications in the future. ◆ CITC is developing an electronic system for Customs release and type approval of ICT equipment and is creating a database of approved equipment and Customs clearances. The system will support domestic and foreign submission of applications electronically through an Internet portal. In addition, the system will execute CITC procedures, link to the Customs system, fully automate the processes, and keep applicants informed electronically throughout the whole process. ◆ CITC is continuing to monitor the conformity of service providers with regulations on electromagnetic radiation from wireless base stations. Field measurements have been conducted at a number of sites, and all measurements to date indicate that radiation levels are about 100 times below allowable levels per international standards.
<ul style="list-style-type: none"> ◆ Provide various incentives to attract foreign direct investment in the IT industry. 	<ul style="list-style-type: none"> ◆ CITC sought to attract foreign investment by undertaking periodic studies on the ICT markets in the Kingdom, describing all indicators related to these markets which are of interest to local and international investors, published all information related to these studies on the CITC website, and updated them on a regular basis. The most important information for investors is penetration of mobile, fixed and broadband services in the Kingdom, as well as data on revenues and investments in the sector.



Policies of the Ninth Development Plan ¹	CITC Accomplishments
	<ul style="list-style-type: none"> ◆ During 2011, CITC issued its second annual report on the status of the IT sector in the Kingdom as a means to increase public attention on the issues. The IT Report also encouraged decision makers in public and private agencies to remove any barriers to sector growth and to the creation of a transparent and competitive environment that generates sector investment and increases development. A forum was also organized to raise awareness of the issues in the IT Report and to discuss its recommendations and ways to increase stakeholder cooperation in the sector. ◆ CITC, through the National Center for Information Security (CERT-SA), promoted web security to provide a healthy environment which will attract and underpin foreign investments in the IT sector in the Kingdom. ◆ CITC launched a five-year national program to increase awareness of information security. The program contains a range of time-based plans, information campaigns and measurement tools that focus on public awareness of information security for all segments of society in the Kingdom. During 2011, CITC selected and prioritized the project tracks and the related information security topics, defined the segments of society and selected the delivery channels, selected the information security awareness messages for each track, and developed a five-year plan for the national program.
<ul style="list-style-type: none"> ◆ Develop the capacity of companies and enterprises and increase their usage of ICT. 	<ul style="list-style-type: none"> ◆ CITC has undertaken a detailed study and field survey of a number of public and private enterprises. The outcome of the study appeared in the IT Report published in 2010. The report highlights the opportunities for growth and investment in the IT sector and identifies the skills gaps and employment opportunities in the sector. The report provides stakeholders in the public and private sectors with basic data that will enhance their capabilities in recruitment, training and attracting investment, and it contributes indirectly to developing the capacity of companies and enterprises.

¹ Policies are specified in section 24.1.5.3 of the Ninth Development Plan (1431-1436H) (2010-2014G).



10. Work Program for 2012

CITC will continue to carry out its duties and responsibilities, God willing, and intends to implement a number of programs and projects during the 2012 fiscal year. Some of the significant planned programs and activities include the following:

- ◆ Complete the process for issuing the fixed telecommunication licenses.
- ◆ Complete the project on unified licensing and resale.
- ◆ Continue regulation of network access, rights of way and interconnection.
- ◆ Complete the approval of licensing fees for the leasing of telecommunication facilities.
- ◆ Complete the process to license digital authentication services.
- ◆ Finalize the procedures for reviewing and approving mergers, acquisitions and bankruptcies.
- ◆ Continue regulation of tariffs for ICT services and complete the update of tariff regulation procedures.
- ◆ Continue work on updating the accounting separation policy.
- ◆ Continue work on fostering deployment of broadband services.
- ◆ Complete the update of the Interconnection Guidelines.
- ◆ Complete the unified guidelines for number portability.
- ◆ Continue to monitor the quality of ICT services.
- ◆ Update the Numbering Management System and continue to manage the allocation of numbers in accordance with the National Numbering Plan.
- ◆ Establish a type approval laboratory for ICT equipment.
- ◆ Complete the development of an electronic system for Customs release and type approval of ICT equipment.
- ◆ Follow up the resolution of issues with Mobile Number Portability.
- ◆ Oversee implementation of approved changes in the National Numbering Plan, including conversion of the geographic zone codes.

- ◆ Follow up the implementation of the National Frequency Plan.
- ◆ Update the specifications for a spectrum monitoring system, and establish and supervise the system.
- ◆ Measure the performance of the mobile networks according to a program set for 2012.
- ◆ Continue to perform field measurements of the level of electromagnetic radiation in the Kingdom as part of the third phase of the cooperation program with universities and research institutes.
- ◆ Continue work on the transition to IPv6.
- ◆ Continue implementation of the Internet Development Plan.
- ◆ Issue the annual report on the status of the IT sector in the Kingdom.
- ◆ Continue development of systems for domain name registration.
- ◆ Continue to develop regulations and procedures for filtering Internet services.
- ◆ Develop filtering and blocking systems and tools.
- ◆ Continue to work towards completion of USF Projects #1-4.
- ◆ Continue to update the USF database according to the population and housing census of 1431H and in light of the projects currently underway.
- ◆ Complete the review of the universal access/universal service policy, finalize it and submit it for approval.
- ◆ Continue work related to the USF market study.
- ◆ Tender the projects for the USF Third Operational Plan, evaluate the bids and award contracts.
- ◆ Prepare the scope of work and associated budget for the USF Fourth Operational Plan for fiscal year 2013.
- ◆ Prepare the USF financial statement for fiscal year 2012.
- ◆ Update and implement USF plans based on risk assessments and priorities.





Appendices

Appendix A: Decisions of the Board of Directors

The Board held six meetings in 2011. The major decisions taken during the year include:

- ◆ Approval of Version 2 of the National Numbering Plan.
- ◆ Approval of the CITC budget for the 2012 fiscal year.
- ◆ Approval of the estimated revenues in the budget for the 2012 fiscal year.
- ◆ Approval of the budget of the National Committee for Information Society for the 2012 fiscal year.
- ◆ Approval of the USF budget for the 2012 fiscal year.
- ◆ Approval of the financial statements of CITC and the National Committee for Information Society for the 2010 fiscal year.
- ◆ Approval of the USF financial statement for the 2010 fiscal year.
- ◆ Approval of the inclusion, within their basic salary, of the 15% cost of living allowance for CITC staff.
- ◆ Approval of permanent employment for some contracted Saudi staff in CITC.
- ◆ Reorganization of the CITC Management Committee.
- ◆ Organizational restructuring of CITC.
- ◆ Approval of the appointment of the Office of Chartered Accountants to carry out a review and audit of the CITC accounts for three years.

Appendix B: CITC Decisions

Decision #	Date	Subject
301	26/01/1432H	Approval of Tariff Amendment for iPhone4 Plans
302	14/02/1432H	Approval of Tariff Amendment for <i>Sawa</i> International Service
304	15/02/1432H	Approval of Tariff for Corporate <i>Aamal Net</i> Service
305	15/02/1432H	Approval of Tariff Amendment for International Mobile Communication and International Messaging for Prepaid <i>Sawa</i> Service from Aljawal
306	19/02/1432H	Approval of Tariff for High-Speed Internet Fiber Optic Technology (FTTH – 40Mb/s)
307	26/02/1432H	Approval of Tariff for New Mobile Broadband Packages for Prepaid and Postpaid Aljawal Service
308	16/03/1432H	Approval of Tariff Amendment for iPhone4 Packages
309	17/03/1432H	Regulation for the Issuance and Transfer of Credits for Prepaid SIM cards
310	04/04/1432H	Approval of Tariff Amendment for iPhone4 Packages for Individuals
311	04/04/1432H	Approval of Tariff Amendment for iPhone4 Packages for Corporations
312	17/04/1432H	Approval of ICT Indicators for the ICT Sector
313	21/04/1432H	Procedures for Establishing, Billing, Canceling and Documenting Telecommunication Services
316	25/06/1432H	Approval of Amendment of Business Aljawal Plans
319	13/07/1432H	Approval of Fair Usage Policy for the <i>Jood Plus</i> Family of Services from Alhatif
320	18/07/1432H	Approval of <i>Student Key</i> Service for Postpaid Customers from Aljawal
321	12/08/1432H	Approval of Amendment of the Prepaid <i>Sawa Ziyara</i> Plan from Aljawal

Appendix C: Public Consultations

Public Notice #	Date	Subject
1/1432H	10/01/2011	Extension of public consultation on the National Numbering Plan for the Kingdom (Version 2)

Appendix D: Other Activities and Achievements

In addition to the major activities described in Section 6 of this Report, CITC undertook many other activities including those described in the following sections.

D.1. Frequency Management

- ◆ Made 8,708 frequency allocations and registered some of them with ITU for protection from interference from other countries.
- ◆ Terminated 3,714 frequency allocations, either to implement the National Frequency Plan or because the allocations were no longer needed.
- ◆ Issued and renewed 149 licenses for radio equipment, 305 for maritime wireless systems, 468 for amateur radio operators, 405 for amateur radio stations, and 156 for aeronautical navigation services.
- ◆ Conducted 140 amateur radio exams.
- ◆ Calibrated 703 instruments and repaired 38 instruments used in frequency management, and carried out technical measurements on 337 wireless devices.
- ◆ Inspected 5,119 wireless devices and 147,182 spare parts.
- ◆ Reviewed 41 applications for licenses to use wireless equipment.
- ◆ Made 2,513 monitoring measurements of cross-border emissions causing harmful interference and coordinated with neighboring countries to address them.
- ◆ Coordinated 242 requests for frequency use during the visits of foreign dignitaries and foreign vessels.
- ◆ Coordinated 714 satellite frequency assignments for Saudi satellite networks and ARABSAT with the satellite networks of other countries.
- ◆ Reviewed and took appropriate action on 42 applications for frequency coordination between the Kingdom and other GCC countries.
- ◆ Made 142,002 frequency monitoring measurements to detect unauthorized signals causing interference.
- ◆ Made 8,876 measurements on allocated frequencies to verify their compliance with license conditions.
- ◆ Detected 837 unauthorized emissions, addressed them with the concerned authorities, and took appropriate action.
- ◆ Investigated 355 interference complaints within the Kingdom and took steps to resolve them.
- ◆ Made 103,400 monitoring measurements of frequencies used for safety and emergency services to ensure that they are free of harmful interference.
- ◆ Studied 3,185 ITU bulletins on frequency use for satellite and terrestrial services in other countries, and took appropriate action on 1,673 of them.
- ◆ Initiated 1,600 actions for payment of frequency usage fees.

D.2. ICT Equipment and Devices

- ◆ Reviewed 973 applications for ICT equipment type approval.
- ◆ Handled 8,757 applications for Customs release of imported ICT equipment.
- ◆ Responded to 1,166 enquiries related to technical standards.

D.3. Technical Support to Government and Other External Agencies

- ◆ Conducted field measurements of wireless signal levels at a number of government sites and prepared detailed technical reports on the findings and recommendations.
- ◆ Investigated the problem of illegal sale of prepaid SIM cards and proposed solutions.
- ◆ Provided support to the Ministry of Culture and Information to help solve technical problems related to ICT services at the new radio studio building in Jeddah.
- ◆ Provided support to Imam Muhammad bin Saud Islamic University to solve problems with poor ICT services in King Abdullah bin Abdulaziz University City for female students.
- ◆ Participated in a meeting of the High Commission for the Development of Riyadh regarding reduction of the negative effects of electromagnetic radiation in the city. Provided them with the relevant CITC regulations and shed light on the efforts and activities of CITC on this issue.

- ◆ Coordinated with the High Commission for the Development of Riyadh regarding weak mobile coverage in some areas of the Diplomatic Quarter.
- ◆ Provided support to Qassim Region to coordinate with the ICT service providers to relocate some towers and sites affecting traffic flow.
- ◆ Provided support to the Ministry of Transport to coordinate with the ICT service providers regarding unlicensed towers.
- ◆ Provided support to Makkah Region to coordinate with the ICT service providers to participate in the standing committee of the Two Holy Mosques train project.
- ◆ Provided support to the Ministry of Education regarding ICT technical problems in some educational centers.
- ◆ Provided support to the municipalities in Eastern Region related to problems and requests for the removal of towers, collection of fees from the operators, and creating a framework agreement among the operators for joint construction of infrastructure.
- ◆ Reviewed the statutes of the Digital Solidarity Fund, prepared the CITC position, and participated in the committee consisting of CITC, the Ministry of Communications and Information Technology (MCIT), the Ministry of Finance and the Ministry of Foreign Affairs.
- ◆ Reviewed and commented on the second e-Government implementation plan prepared by MCIT.
- ◆ Reviewed and commented on the draft electronic system privacy act prepared by MCIT.



- ◆ Reviewed and commented on the draft regulations on electronic publishing prepared by the Ministry of Culture and Information.
- ◆ Provided technical support to the General Presidency of the Two Holy Mosques on a number of ICT issues, including the implementation of indoor wireless coverage in the Mosques.
- ◆ Participated in the government committee charged with studying and developing standards for delivering utility services, including telecommunications, to land grants designated for residential housing.
- ◆ Participated in the committee to update technical and municipal regulations for permits to install commercial wireless infrastructure.
- ◆ Participated in the committee to exploit public lavatory buildings in the Holy Places for ICT equipment and antennas.
- ◆ Participated in the committee with the Ministry of Municipal and Rural Affairs to establish standard procedures for granting digging permits for ICT infrastructure.
- ◆ Participated in the National Committee on the Response to Nuclear and Radiological Emergencies.
- ◆ Provided support to the King's office of special affairs to coordinate with the mobile operators to share the STC towers located in the royal palaces in Jeddah and Riyadh.
- ◆ Provided input to the Bureau of Experts on the ICT aspects of their study of organizational arrangements for the National Committee for Geographic Information Systems.
- ◆ Required operators to link to the National Information Center to verify the identity of users.
- ◆ Provided support and advice and coordinated with all parties concerned with caller location identification for calls to emergency centers.
- ◆ Participated in developing technical and procedural solutions to reduce nuisance calls to security authorities.
- ◆ Participated in setting up the procedures necessary for protecting ships, oil facilities and telecom cables against acts of terrorism or sabotage from small boats.
- ◆ Provided support and advice on improving telecommunications services provided to the Saudi Red Crescent Society, including technical solutions and alternatives to achieve least cost.
- ◆ Participated in a committee to study encryption and evaluate relevant work on this topic.
- ◆ Participated in a committee to ensure that laptops do not have transmit capability.
- ◆ Participated in the follow-up committee of experts and specialists to implement the recommendations to achieve universality, objectivity and transparency in the national security agencies.
- ◆ Reviewed and commented on ITU recommendations and completed ITU questionnaires.

- ◆ Reviewed and commented on publications issued by the International EMF (electromagnetic field) Project of the World Health Organization.
- ◆ Provided the Civil Defense with emergency plans for Ramadan and Hajj 1432H.
- ◆ Coordinated with the mobile service providers to broadcast emergency warning SMS messages issued by the Civil Defense, in accordance with CITC procedures.
- ◆ Coordinated with the service providers to provide the Civil Defense with flooding risk plans for Makkah Region.
- ◆ Coordinated with the operators to provide ICT services to the Ministry of Finance emergency shelter in Shemeisy in Makkah Region.
- ◆ Participated in updating the high-level policy for the ICT sector.
- ◆ Coordinated with the Ministry of Interior, the Ministry of Finance, the Bureau of Experts and STC regarding roles and responsibilities for the operation and development of coastal stations, and prepared recommendations.
- ◆ In coordination with the ICT service providers, addressed problems with caller identification not being delivered to emergency call centers.
- ◆ At the request of the National Committee for Information Society, participated in preparing the report on the National Profile of the Information Society in the Kingdom of Saudi Arabia in 2011.

- ◆ Participated in preparing the draft resolution of the 14th meeting of the Commission on Science and Technology for Development (CSTD) of the UN Economic and Social Council, May 2011.
- ◆ Submitted contributions to the ITU Council meeting, May 2011. These were adopted as Resolution 1336, "Council Working Group on International Internet-related Public Policy Issues", and Decision 562, "Fifth World Telecommunication/Information and Communication Technology Policy Forum".
- ◆ Participated in and chaired the fifth meeting of the ITU Dedicated Group on International Internet-related Public Policy Issues, attended by over 30 countries.

D.4. Technical Support to the ICT Service Providers

- ◆ Addressed issues with interference from wireless signal boosters to find a technical solution.
- ◆ Reviewed and commented on a proposal for an STC/Mobily joint venture to build and lease communication towers.
- ◆ Prepared an international benchmarking study to determine the bandwidth normally allocated to mobile operators. This was used in the consideration of the Mobily application for additional bandwidth in the 2 GHz band.
- ◆ Prepared a study on the technical aspects of the Zain request to be released from their remaining obligation for the presence of their foreign strategic partner.



D.5. Media Activities and Events

- ◆ Participated in a number of conferences, forums and exhibitions at the local, regional and international levels (see Appendix E).
- ◆ Organized and participated in a number of local and international forums.
- ◆ Organized and participated in the GITEX exhibition in Riyadh.
- ◆ Organized a number of specialized workshops and seminars, such as "Toward a Mature Internet Ecosystem for the Kingdom of Saudi Arabia".
- ◆ Issued numerous press releases, statements and news stories related to projects, surveys and the ICT sector.
- ◆ Communicated with various local and foreign media through interviews and press and TV briefings with senior officials of CITC.
- ◆ Launched a project to cooperate with government agencies in the field of ICT awareness and provided 200,000 brochures. Distributed over 115,000 awareness brochures to students in various grade levels and their parents, in cooperation with the King Abdullah Project for General Education Development. Coordinated with CITC departments to issue a number of awareness letters and brochures on information security, and broadcast awareness messages through social media networks in which CITC is present.
- ◆ Issued a daily press briefing containing news and articles published in the media and on the Internet related to CITC and the ICT sector.

- ◆ Issued an annual report documenting everything that appeared in the media about CITC in 2011.
- ◆ Established and managed CITC accounts on social networking sites.
- ◆ Issued several articles on CITC studies and regulations.
- ◆ Issued quarterly e-bulletins containing key indicators and statistics on the ICT sector in the Kingdom and at the global level.
- ◆ Communicated regularly with the employees regarding CITC activities.

D.6. Oversight of Telecom Services during the Ramadan and Hajj Seasons

- ◆ Monitored the preparations of the service providers for the Hajj season 1432H.
- ◆ Monitored the performance of the service providers during Ramadan and Hajj 1432H in Makkah, Madinah and the Holy Places.
- ◆ Monitored wireless frequencies before Hajj, around the Grand Mosque and the Holy Places, to ensure against harmful interference.
- ◆ Coordinated the activities of government agencies and the service providers to ensure compliance with relevant Hajj regulations.
- ◆ Conducted field tests at the service provider sites to assess network performance.

- ◆ Conducted daily visits to the network operations centers during Ramadan and Hajj, especially at peak times.
- ◆ Put in place a procedure, in collaboration with the mobile service providers and the Civil Defense, to transmit emergency warning messages via SMS.
- ◆ Coordinated the availability of STC technicians for round-the-clock coverage in significant and sensitive locations to provide troubleshooting and immediate repair of any breakdowns of landline systems.
- ◆ Provided free Wi-Fi Internet access for pilgrims in Mina for the fourth consecutive year.
- ◆ Supported the ability of the mobile networks of the service providers to cope with the major increase in traffic during the Hajj season.
- ◆ Supported the availability of efficient and high-quality mobile services. There were no breakdowns or severe disruptions in the mobile networks at the Hajj sites or at the international gateways. During this Hajj season at Makkah and the Holy Places, the mobile national traffic of the service providers increased between 15% and 70% while the international call traffic increased by about 30%.
- ◆ Responded to user complaints and coordinated resolutions.

D.7. Other Miscellaneous Activities

- ◆ Reviewed the study on the use of supplier framework agreements in the Kingdom for repeated government procurement of current and future ICT products and services within a specified contract period.
- ◆ Studied the technical aspects of terminating incoming international calls. CITC issued Decision 323, dated 21/09/1432H, regulating interconnection agreements related to terminating incoming international calls.
- ◆ Followed up the compliance of mobile operators and of the manufacturer of the Blackberry (RIM) with regulations for the service.
- ◆ Provided studies and opinions on ICT topics in support of the Saudi delegation at the Arab ICT Summit.
- ◆ Followed up the network rollout and service coverage commitments of the licensed voice, mobile and data service providers.
- ◆ Participated in the committee on maritime disasters and in the symposium on maritime disaster management.
- ◆ Participated in meetings with the Eastern Region, the Royal Commission for Jubail and the service providers to resolve obstacles to providing telecommunications services.
- ◆ Handled and resolved issues and complaints related to human exposure to electromagnetic radiation from wireless base stations. Conducted field measurements as needed.



- ◆ Reviewed draft regulations on the Digital Solidarity Fund to support poor countries in bridging the digital divide.
- ◆ Reviewed and commented on a proposal to establish a National Emergency Center in Saudi Arabia (112).
- ◆ Studied and supported the Russian draft resolution to the UN General Assembly, "Developments in the field of information and telecommunications in the context of international security".
- ◆ Developed requirements and methodology for terminals at CITC with access to the customer relationship management systems of the service providers, while using the terminals and maintaining confidentiality of the information in accordance with CITC regulations.
- ◆ Prepared a study on technical solutions for reducing spam and other unwanted and nuisance messages.

Appendix E: Participation in Meetings and Conferences

CITC participated in many local, regional and international meetings, conferences, seminars and exhibitions, including the following:

E.1. Local Participation

1. The 3rd bilateral meeting between Saudi Arabia and Bahrain to discuss harmful interference to WiMAX networks in Eastern Region. Riyadh, 3-4 May 2011.
2. Meeting with the consultant commissioned by the Bahrain Telecommunications Regulatory Authority (TRA) to limit harmful interference to WiMAX networks in Eastern Region. Eastern Region, 22 Nov 2011.

E.2. Regional Participation

1. Official representation at meetings of the Gulf Cooperation Council (GCC):
 - ◆ The 2nd bilateral meeting to discuss interactions between Saudi Arabia and Bahrain. Bahrain, 27-28 Jan 2011.
 - ◆ The 30th coordination meeting between the GCC countries and the U.S. Department of Defense to discuss radio interference. Bahrain, 6-7 Feb 2011.
 - ◆ Workshop on "Understanding Spectrum Policy". Dubai, 27 March 2011.
 - ◆ Workshop on "Spotting and Resolving Legal Issues in Spectrum Management". Dubai, 28 March 2011.

- ◆ The 2nd Middle East Spectrum Conference. Dubai, 29-30 March 2011.
 - ◆ The 2nd meeting of the GCC on the transition from analog to digital broadcasting. UAE, 10-13 April 2011.
 - ◆ Meeting of the Technical Committee of the GCC Technical Bureau. UAE, 11-13 April 2011.
 - ◆ Coordination of FM radio channels among GCC countries. Bahrain, 8-9 May 2011.
 - ◆ The 3rd meeting of the GCC Steering Committee on ICT. UAE, 15-17 May 2011.
 - ◆ Meetings of the Committee of Deputy Ministers and the Ministerial Committee for Post and ICT. UAE, 20-22 June 2011.
 - ◆ The 1st coordination meeting on the operation of TETRA networks in the border areas between Saudi Arabia, UAE and Qatar. Doha, 28-29 June 2011.
 - ◆ The 4th meeting of the GCC team to prepare for the World Radiocommunication Conference 2012. Dubai, 19-21 Sep 2011.
 - ◆ The 31st coordination meeting between the GCC countries and the U.S. Department of Defense to discuss radio interference. Dubai, 21-22 Sep 2011.
2. Official representation at meetings of the League of Arab States:
 - ◆ Council of Arab Ministers of Communications. Lebanon, 25-27 Jan 2011.

- ◆ Standing Committee for Communications and Information Technology. UAE, 1-2 May 2011.
 - ◆ The 8th meeting of the Steering Committee on Arab top level domains (TLDs). Egypt, 4-7 July 2011.
 - ◆ Meeting of the working group on Arab Internet networks. Bahrain, 20-21 July 2011.
 - ◆ The 1st meeting of the working group to prepare for the Connect Arab Summit. Doha, 18-19 Sep 2011.
 - ◆ The 15th meeting of the Arab Spectrum Management Group. Sharm El Sheikh, 1-5 Oct 2011.
3. ITU Arab Regional Office:
 - ◆ Workshop on ICT infrastructure and local access networks. Khartoum, 27-29 March 2011.

E.3. International Participation

1. Official representation at ITU meetings:
 - ◆ Study Groups and Task Forces of the Standardization Bureau (ITU-T) and the Radiocommunication Bureau (ITU-R).
 - ◆ Meetings of the Council Working Groups.
 - ◆ The 2nd session of the conference preparatory meetings for the World Radiocommunication Conference 2012. Geneva, 14-25 Feb 2011.
 - ◆ Meeting of ITU-T Study Group SG3 on economic and policy issues. Geneva, 28 March – 1 April 2011.
 - ◆ Meeting of ITU-T Study Group SG5 on environment and climate change. Geneva, 27 April – 5 May 2011.



- ◆ ITU-R Study Group SG1 review of the recommendation on Global Positioning System (GPS) monitoring stations. Geneva, May 2011.
 - ◆ Meeting of ITU-R Working Party WP4A on satellite services. Geneva, 5-20 May 2011.
 - ◆ The 14th meeting of the CSTD, the World Summit on the Information Society (WSIS) Forum, the Council Working Group on WSIS, and the Dedicated Group on International Internet-related Public Policy Issues. 16-27 May 2011.
 - ◆ Meeting of ITU-R Working Party WP1A on spectrum engineering techniques. Geneva, 25 May – 1 June 2011.
 - ◆ Meeting of ITU-R Working Party WP1C on spectrum monitoring. Geneva, 25 May – 3 June 2011.
 - ◆ Meeting on the illegal use of information technology. Geneva, 7-8 June 2011.
 - ◆ Meeting of ITU-R Working Party WP5A on land mobile service and wireless access. Geneva, 13-22 June 2011.
 - ◆ Meeting of the ITU Council. Geneva, 5-21 Oct 2011.
 - ◆ ITU Telecom World exhibition. Geneva, 24-27 Oct 2011.
2. World Trade Organization (WTO) Council for Trade in Services. Geneva, 17-21 Jan 2011.
 3. International Conference on Design Principles and Practices. Italy, 2-4 Feb 2011.
 4. IPv6 World Congress. France, 8-11 Feb 2011.
 5. Mobile World Congress. Spain, 14-17 Feb 2011.
 6. Workshop on domain names. China, 14-25 Feb 2011.
 7. WTO Council for Trade in Services. Geneva, 17-18 Feb 2011.
 8. Economic and Social Commission for Western Asia (ESCWA) Expert Group meeting on the enabling environment for the development of Arabic services. Lebanon, 8-9 March 2011.
 9. The 3rd Oracle Applications Users Group Conference. UAE, 16-17 March 2011.
 10. Telecoms Regulation Forum. UK, 21-23 March 2011.
 11. Mobile Broadband Asia conference. Singapore, 28-30 March 2011.
 12. CeBIT exhibition. Germany, 1-5 April 2011.
 13. WTO trade policy review meeting. Geneva, 5-7 April 2011.
 14. The 20th session of the United Nations Commission on Crime Prevention and Criminal Justice. Austria, 11-15 April 2011.
 15. The International Public Relations Association – Gulf Chapter (IPRA-GC) Annual Public Relations Conference. UAE, 13-14 April 2011.

16. Symposium on broadband and traffic management. UAE, 17 April 2011.
17. Conference on international developments in the field of mobile. Singapore, 23-25 April 2011.
18. Visit to the Infocomm Development Authority (IDA). Singapore, 3-4 May 2011.
19. Visit to the Malaysian Communications and Multimedia Commission (MCMC). Malaysia, 9-11 May 2011.
20. The 22nd Annual Communications and Competition Law Conference. Austria, 16-17 May 2011.
21. LTE World Summit. Netherlands, 17-18 May 2011.
22. Public awareness of health and safety of mobile phones and telecom towers. Brunei, 25 May 2011.
23. Cloud Asia conference and workshops. Singapore, 30 May – 2 June 2011.
24. Workshop on telecommunications regulation. Istanbul, 13-17 June 2011.
25. The 41st meeting of the Internet Corporation for Assigned Names and Numbers (ICANN 41). Singapore, 19-24 June 2011.
26. Conference on information security and risk management. USA, 20-23 June 2011.
27. International conference on communications. Malaysia, 21-23 June 2011.
28. CommunicAsia exhibition. Singapore, 21-24 June 2011.
29. Annual conference for users of frequency management systems, organized by LSI Corporation. Germany, 4-7 July 2011.
30. Arab Regulators meeting. Lebanon, 6-7 July 2011.
31. Technical conference on IBM information management systems. France, 6-8 July 2011.
32. Visit to the Office of the Telecommunications Authority (OFTA). Hong Kong, 18-20 July 2011.
33. General part of the substantive session of the UN Economic and Social Council. Switzerland, 22-29 July 2011.
34. Conference on the enabling framework for ICT development. Singapore, 12-16 Sep 2011.



Appendix F: Licenses Issued

F.1. Total Number of Licensees by Year

Service	2004	2005	2006	2007	2008	2009	2010	2011
Fixed Telecom Service	1	1	1	1	1	2	2	2
Mobile Service	2	2	2	2	3	3	3	3
Data Service Providers (DSP)	2	2	2	2	2	2	2	2
Internet Service Providers (ISP)	23	27	47	64	53	57	56	36
VSAT (very-small-aperture terminal for satellite) Services	5	5	7	13	14	16	18	17
Global Mobile Personal Communication Services (GMPCS)	2	2	3	3	3	3	3	2
Providing Internet Service on Aircraft	1	1	1	1	1	1	1	-
Providing Mobile Service on Aircraft (GSM 1800)	-	-	1	2	1	2	2	1
Automatic Vehicle Location (AVL)	6	19	24	33	26	28	44	35
Bulk SMS Services	6	38	92	122	135	143	137	105
Audio Text (700) Services	-	21	26	24	24	15	14	7
Call Center Services	-	4	7	11	10	8	11	10
Electronic Wallet Services	-	2	2	5	5	6	5	-
Prepaid Card Recharging Services	-	1	4	4	4	3	5	2
Network Operations Centers (NOCs)	-	2	3	4	3	4	4	3
Interactive Voice Message Broadcasting	-	-	-	-	1	-	-	-
Telecom Hotel	-	-	-	1	3	5	6	5
TOTAL	48	128	223	294	290	298	313	230

F.2. List of Licensees

License Type: Fixed Telecom Services	
1	Saudi Telecom Company (STC)
2	Etihad Atheeb Telecom
License Type: Mobile Telecom Services	
1	Saudi Telecom Company (STC)
2	Etihad Etisalat Company (Mobily)
3	MTC Saudi Arabia (Zain)
License Type: Data Service Providers (DSP)	
1	Bayanat Al-Oula for Network Services
2	Integrated Telecom Co. Ltd. (ITC)
License Type: Internet Services Providers (ISP)	
1	Gulf Computer Services Company (SPSNET)
2	International Systems Engineering Co. Ltd.
3	Saudi Business Machines Ltd. (SBM)
4	Saudi Internet Company

5	Jeraisy for Internet Services Co. Ltd.
6	Middle East Internet Co. Ltd. (Cyberia)
7	Wide Band
8	Shahad Al-Sahra Trading
9	National Advanced Systems Co. Ltd. (NASCO)
10	Saudi Research and Publishing Company (SRPC)
11	Arabian Internet and Communications Services Company (Awalnet)
12	Etihad Atheeb Telecom
13	Zain
14	Integrated Networks Co. Ltd.
15	2P-Perfect Presentation for Trading Services LLC
16	SKYBAND
17	Interkey Company for Communication and Computer
18	P-Group Saudi Arabia
19	MeduNet

20	British Telecom Al-Saudia
21	Detecon Al Saudia Co. Ltd. (DETASAD)
22	Saudi Net Link Company Ltd.
23	Sarmad Trading Co.
24	Mubasher Saudi Arabia
25	Mohamed Munassar Alesayi Group & Ali Hussein Alsawadi Group and Co. (DreamNet)
26	Al Baroom Commercial Agencies
27	EMBRO of Commerce Est.
28	Tahseeb Est. Maintenance & Cont. Industrial Services & Supply
29	Oloom AlShabakah Communication Est.
30	SAMBA Financial Group
31	The First Global Network Company
32	Zajil Telecom Company
33	Sahara Network Co. Ltd.
34	Al-Jazirah Network for Internet Services

35	Etihad Etisalat Company
36	Integrated Telecom Co. Ltd. (ITC)
License Type: VSAT Services	
1	Saudi Telecom Company (STC)
2	High Capabilities Technologies Company Ltd.
3	Detecon Al Saudia Co. Ltd. (DETASAD)
4	Nasser H Al Harbi Trading Establishment (Al Harbi Telecom)
5	Electronia Company
6	Saudi Net Link Company Ltd.
7	Atlas Albilad Advanced Technology for Communications
8	Integrated Telecom Co. Ltd. (ITC)
9	British Telecom Al-Saudia
10	Baud Telecom Company
11	Channels Center for Electronic Devices
12	SKYBAND

13	Computer World & Technology Company
14	Shahad Al-Sahra Trading
15	Petroleum and Energy Trading Services Est.
16	Oloom AlShabakah Communication Est.
17	Etihad Etisalat Company
License Type: Global Mobile Personal Communication Services (GMPCS)	
1	Farhan Commercial Company Ltd. (Thuraya Services)
2	Thuraya Satellite Telecommunications Company
License Type: Providing Internet Service on Aircraft	
License Type: Providing Mobile Service on Aircraft (GSM 1800)	
1	DataStar International Ltd.
License Type: Automatic Vehicle Location (AVL)	
1	Developed Dimension Information Technology
2	Leader Investment Company
3	AMNCO
4	Arabian Company for Petrol Services Ltd.

5	Adeed Trading Co.
6	Handhelds Pro Co.
7	Advanced Electronics Co. Ltd. (AECL)
8	Integret Advanced Co.
9	Al Rehab Equipment & Machinery Co. Ltd.
10	Seven Eyes for Marketing
11	Maharat for Communication and Technology
12	System of Strategic Business Solution
13	Logistic Technology Services Co.
14	Fleet Tracking Technologies Co.
15	Zultec Fleet Management Company Ltd.
16	Golo for Telecom, IT and Advertising
17	Almisehal Group for Trade Ltd.
18	Navteq Saudi Arabia Co. Ltd.
19	DataStar International Ltd.
20	Nesma Trading Co. Ltd.

21	Nomed Trading Contracting Co.
22	Tech Buttons IT Solutions
23	AFAQY Est.
24	Technical Supply Corp.
25	BADRAN Middle East
26	Basmah Supplies and Trading Est.
27	Zeyad Abdulaziz Alyahya Institutions
28	Shahad Al-Sahra Trading
29	Engineer Warranty Est.
30	Okaz Telecom Est.
31	Aentaj IT Est.
32	Kirra for Mapping and GIS
33	Al-Motabei for Electronic Systems
34	Tracking Systems Est.
35	Arab Foundation Technology for Communications and Information Technology and Security Services

License Type: Bulk SMS Services	
1	Alwataniya Advertising Company
2	Electronic Concepts Company Ltd.
3	Saudi Bells Telecommunications Company
4	One Card
5	Peacock Advertising and Promotion Company
6	Mobilink Company
7	Mobile Innovative Solutions Company
8	Typical Network Est.
9	Dar Al-Ikhtera Aldaulia Co. for Trading
10	Art Vision Est.
11	Hash Est.
12	Unique Business Group Arabia (UBG)
13	ARA Media Services Ltd. (AMS)
14	Asaig United for Communications
15	Tjari Commercial Co. Ltd.

16	Sky Telecommunications Ltd.
17	Ertiqā Information Est.
18	Alarabi Establishment for Communication Devices
19	Okaz Establishment for Journalism and Publishing
20	Digital Zadcom for Computer Services (Zad Group)
21	Madar Sadeem Est. for Information Technology
22	Masian Establishment for Marketing
23	First for Information Technology Services
24	First Gulf Contracting Company Ltd.
25	Saudi Research and Publishing Company (SRPC)
26	Global Arabian for Modern Application Ltd.
27	Arabian National Co. for Supplies & Equipment
28	Arabian for Science & Technology
29	Arabs Call Company Limited
30	Lead Marketing and Communication LLC
31	Advanced Electronics Co. Ltd. (AECL)
32	Four Systems Company for Trade

33	E-Learning & Training Co.
34	Al-Tekania for Contracting and Trading Co.
35	Global Fields Co. Ltd.
36	Innovative Solutions
37	Interactive Communications Company
38	Smart Message Telecom Technical Est.
39	Emerging Technology
40	Index Middle East Co. Ltd.
41	iTelgent Company
42	Tawasul Communications Limited
43	Tim Wei Company of Saudi Arabia
44	Optimal Technology Solutions
45	Deewan Alrasaile for Information Technology Company Limited
46	Rawafed Information Co.
47	Zafa Company Limited
48	Saudi Sara Good News 4Me Company
49	Sara Telecom Company

50	Fenda Holding Company
51	Technology Touches Co.
52	Mohamed Munassar Alesayi Group & Ali Hussein
53	Alsawadi Group and Co. (DreamNet)
54	Marhab Saudi Telecom Company
55	Nomed Trading Contracting Co.
56	AlKonoz Portal
57	RKe Technology
58	MBuzz
59	Added Telecom Trading Est.
60	Interactive Media Est.
61	Electronic Horizons Telecom Est.
62	Alawtar Aldahabia Est.
63	Al-Jazirah Corporation for Press, Printing and Publishing
64	Developed Services Est.
65	Value for Communication
66	Net Links Est.

67	AlArab
68	Golden Cave Telecom Est.
69	MobileMe for Communications
70	SMART INFO Est.
71	AlMunaseb for Solutions and Marketing Est.
72	Tech Systems Est.
73	Max Media
74	Inteshaar Commercial Ventures
75	Bin Sammar Contracting Est.
76	Benaal Alsarh Commercial Establishment
77	Data Technology Est.
78	WiFi Solutions
79	Ideal Execution Services Est.
80	Links Services Est.
81	The Links Line Est.
82	GULFDATA Est.
83	Danah Al-Hasib

84	Linki for Communications
85	RAMOOZ
86	Roazin International Est. for Trading
87	New Sky Est.
88	Abdulrahman A. Almossa Est.
89	Abdulhadi Ali Al-Rahilah Foundation for Trading
90	Ezz Elkhir for Development and Support Est.
91	Aseer Est. for Press & Publishing
92	Rockville Technology
93	Mada Est.
94	Technical Facilities Est.
95	Smart Call Co.
96	Naseej
97	Hams AlShams Est.
98	Elite Time Est.
99	Ideal Business
100	2P-Perfect Presentation for Trading Services LLC

101	Value Added Co.
102	Sarmad Trading Co.
103	Fawaz Abdulaziz Al-Hokair & Co.
104	Egypt Network
105	Saud AlMotairy Est.
License Type: Audio Text (700) Services	
1	Sky Telecommunications Ltd.
2	Unique Business Group Arabia (UBG)
3	Saudi Trading & Resources Co. Ltd.
4	Mobilink Company
5	Marhab Saudi Telecom Company
6	Media Call for Audio Text Services
7	Rockville Technology
License Type: Call Center Services	
1	SolexPLUS
2	Excellent Solutions
3	Allied Solutions Company

4	Emerging Technology
5	Saudi Bell Group Company
6	Contact Center Company
7	Saudi Logistics & Technical Support (SALTS)
8	Implementation Office for Commercial Services Company
9	Inteshaar Commercial Ventures
10	2P-Perfect Presentation for Trading Services LLC
License Type: Electronic Wallet Services	
License Type: Prepaid Card Recharging Services	
1	One Card
2	Interkey Company for Communication and Computer
License Type: Network Operations Centers (NOCs)	
1	Integrated Networks Co. Ltd.
2	Detecon Al Saudia Co. Ltd. (DETASAD)
3	International Electronic Telecommunications Company (Inteltec Saudi Arabia)

License Type: Interactive Voice Message Broadcasting	
License Type: Telecom Hotel	
1	International Electronic Telecommunications Company (Inteltec Saudi Arabia)
2	Gulfnet International Telecommunications Co.
3	Modern Sea Cable Company
4	Interkey Company for Communication and Computer
5	Dhawayat Liletisalat Company

Appendix G: CITC Websites

Main CITC site

<http://www.citc.gov.sa>



CITC intranet site

<http://my>



The National Center for Information Security (CERT-SA)

<http://www.cert.gov.sa>



Saudi Internet Service Portal

<http://www.Internet.gov.sa>



Saudi Network Information Center

<http://www.nic.net.sa>



IPv6 Task Force

<http://www.ipv6.org.sa>



Saudi National Anti-Spam Program

<http://www.SPAM.gov.sa>



National Committee for Information Society

<http://www.ncis.org.sa>



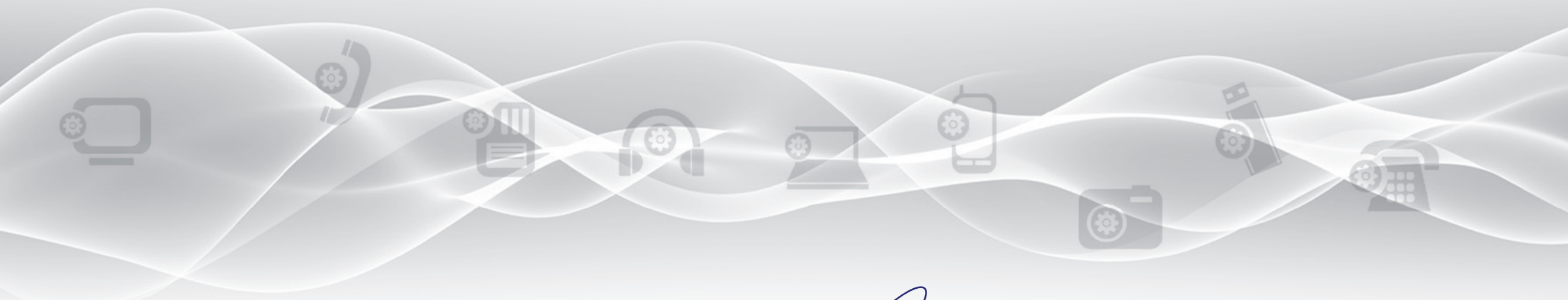
Appendix H: Code of Ethics and Professional Conduct

- ◆ Respect the rights of all stakeholders who interact with CITC and deal with them courteously, fairly and impartially.
- ◆ Refrain from any actions, dealings or work activities which are considered improper or are seen as inconsistent with moral and honorable conduct.
- ◆ 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 CITC.
- ◆ Do not directly or indirectly exploit your position at CITC for personal advantage or profit or for the benefit of a relative or friend.
- ◆ Refrain from any activity that can lead to conflict of interest, real or perceived, between your own personal interests on the one hand and your 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 your immediate supervisor.
- ◆ Refrain from any action that might lead to preferential treatment of persons or entities involved with CITC or might negatively impact the reputation of CITC.
- ◆ 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.
- ◆ Do not reveal confidential information obtained during the exercise of duties, whether verbally, in writing or electronically.
- ◆ Do not, either directly or indirectly, exploit or utilize information which is obtained during the course of employment at CITC and which is not publicly available for personal gain or for the benefit or harm of others.
- ◆ Do not get involved in any business or undertake any independent work activities of a similar nature to that of CITC. To be involved in any other business activity, which is not of a similar nature to that of CITC, prior approval must be obtained from the Governor.

Appendix I: CITC Financial Accounts

	31 Dec 2010 (audited) SAR (000)	31 Dec 2011 (not audited) SAR (000)
Revenues:		
- Commercial Services Provisioning Fees	4,420,244	4,607,053
- License Fees	386,557	406,944
- Spectrum Usage Fees	2,199,698	588,035
- Other Revenues	13,284	16,716
Total Revenues	7,019,783	5,618,748
Expenditures:		
- Employee Costs	159,167	173,405
- Administrative and General Expenditures	55,786	53,578
- Consultancy	40,986	8,213
- IT Systems and Software	7,070	24,783
- Capital Expenditures	99,804	162,934
Total Expenditures	362,813	422,913
NET REVENUES (Surplus)	6,656,970	5,195,835

Note: The surplus (Revenues – Expenditures) is returned to the Public Treasury. CITC does not retain any reserve.



هيئة الاتصالات وتقنية المعلومات
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