

**KINGDOM OF SAUDI ARABIA**

**Public Consultation Document**

**on**

**Licensing for Construction and Operation  
of**

**Submarine Cable Landing Stations**

Issued by the CITC in Riyadh, 7/7 / 1427H - 1/8 /2006

## 1. Background

The Communications and Information Technology Commission ("the **CITC**") is the entity authorized to regulate the telecommunications and IT sector in the Kingdom of Saudi Arabia ("the **Kingdom**"). The Telecommunications Act ("the **Act**"), which came into force in June 2001, provides the legal foundation for developing the telecommunications and IT sector. The Act mandates a number of objectives, which include, among others, to encourage the development of advanced telecommunications services at affordable prices; to nurture fair competition in telecommunications and IT markets; to ensure the efficient and effective use of telecommunications scarce resources; to promote the transfer and migration of telecommunications technology in order to keep pace with its advancement; to ensure transparency and fairness in proceedings; and to protect the interests of telecommunications and IT users. The Telecommunications Bylaw ("the **Bylaw**"), which came into force in July 2002, elaborates provisions of the Act.

Pursuing its functions of licensing provision of telecommunications and IT services, the CITC intends to license construction and operation of landing stations; therefore, it issues this Public Consultation Document ("the **Document**") to request the public to provide their views and comments thereon.

## 2. Forms and Procedures of Response

The CITC welcomes comments on all issues related to licensing construction and operation of submarine cable landing stations in the Kingdom for connection to international submarine cables. Specifically, the CITC encourages interested parties to provide detailed answers to all questions raised in this Document and provide relevant data, statistics, benchmarks, and analyses to support their comments. These answers will be regarded and taken into consideration when issuing the Licenses.

Ownership of the answers and comments provided in this Document will be transferred to the CITC and will not bind the CITC. When providing the answers, the CITC requests indicating the question numbers to which their comments relate. The CITC also desires to have contact details including the name of the respondent, address and phone number(s).

The CITC may consider publishing all or parts of the information provided pursuant to this Document unless the respondent requests that it should be kept confidential. Please indicate in your response if you wish to keep your identity or your response confidential on the respective pages or answers.

Comments, in electronic form (MS Word) in addition to one hardcopy, if possible, are preferred to be submitted to the CITC on or before **3:00pm** local time **23/8/1427H** (**16 / 9 /2006G**) to either one of the following addresses:

- E-mail to: [ls\\_pc@citc.gov.sa](mailto:ls_pc@citc.gov.sa)

- Delivery by hand or by courier to:

**The Office of Governor**

**Communications and Information Technology Commission**

**King Fahad Road**

**P.O. Box 75606**

**Riyadh 11588,**

**Kingdom of Saudi Arabia.**

### 3. Introduction

- The CITC has issued more than 186 licenses of telecommunications and IT licenses since its establishment in June 2001. These include 2G and 3G Mobile Telecommunications Licenses, Data Service Provider Licenses, Global Mobile Personal Communications by Satellite (GMPCS) Licenses, Very Small Aperture Terminal (VSAT) Licenses, and Internet Service Provider (ISP) Licenses and other types of licenses.<sup>1</sup> Given the objectives mandated by the Act and the continuous growth in market demand for telecommunications and IT services, the CITC is currently preparing to issue further fixed and mobile telecommunications services licenses by the end of 2006.<sup>2</sup>
- It is informed that Information and Communications Technology “ICT” services providers are interested in having several alternatives to connect to regional and international telecommunications networks, particularly via submarine cables. The presence of more than one regional and international interconnection service provider will affect positively the prices of the services provided to ICT end users, and will support ensuring capacity, confidence and reliability.
- If a Facility Based Provider (FBP) do not wish, or unable to construct its own cable landing station to connect to regional and international submarine cables, the only alternative available to it, is to lease from its competitors, or other operators licensed by the CITC to construct such stations, if the CITC decides to issue licenses for such operators.
- Due to the increase in competition in the ICT market and other considerations, the CITC considers that it is appropriate to issue special licenses for the construction and operation of cable landing stations for connecting to international submarine cable networks. According to the Telecom Statutes and based on the outcome of this public consultation, the CITC will look into the possibility of licensing owners of submarine cables across the Red Sea and the Arabian Gulf, and companies specialized on construction and operation of cable landing stations by leasing the capacity from the maritime cables mentioned above.
- The Kingdom’s strategic location of being between the Red Sea and the Arabian Gulf, and the fact that many submarine cables are already laid under these waters,

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<sup>1</sup> For details about the types of licenses issued by the CITC, the nature of and the procedure for applying these licenses, kindly visit the CITC website at [www.citc.gov.sa](http://www.citc.gov.sa).

<sup>2</sup> For details, please refer to “Launch of New Licensing Process for Fixed and Mobile Services (Presentations)” uploaded on the CITC website at [www.citc.gov.sa](http://www.citc.gov.sa).

make the Kingdom an attractive location for investment through landing of these cables on the Red Sea coast in the west and the Arabian Gulf coast in the east.

- This Document is the first step to regulate a new field of competition. Countries compete to connect to international and regional submarine cables in order to promote confidence in and reliability of their communication services. Moreover, more cable connections tend to reduce telecom service prices, diversify the network, and attract investments that are heavily based on real-time processing with high-speed connections.

***Q1. Given the current situation in the telecommunications sector and the upcoming licensing of fixed and mobile telecommunications service providers, kindly give your views and comments as to whether there is a need to open competition and issue licenses for construction and operation of landing stations to connect to international maritime cable networks***

#### **4. Qualified candidates**

As mentioned in the introduction, all the licensed FBP (Mobile, Fixed and data network operators) can construct and operate cable landing stations to connect to the international submarine cable networks. However, the owners of submarine cables across the Red Sea and the Arabian Gulf, and companies specialized on construction and operation of cable landing stations (not FBPs in the Kingdom), CITC will consider issuing special licenses for the construction and operation of cable landing stations as it is appropriate.

While CITC does not prefer to limit applications of construction and operation of landing stations to specific companies, CITC may set conditions and criteria to be met for licensing such service.

***Q2. Are you in the view of restricting landing stations licensing to the licensed Facility Based Providers in the Kingdom only? And why? Or allowing licenses to local and international owners of maritime cables and specialized companies to construct and operate this type of service?***

***Q3. If CITC issue a special licenses for the owners of maritime cables and specialized companies to construct and operate this type of stations, would that any have impact on fixed, mobile and data telecommunications operators.***

***Q4. Kindly provide your opinion on what licensing conditions and criteria should be required.***

## 5. Terms of the License

The license also mandates the licensee to provide services to networks operators (FBP) in the Kingdom. The license is a class license<sup>1</sup> in compliance with conditions, rules and fees specified by CITC.

***Q5. Kindly provide your views and comments on the conditions and rules of the license and its period.***

***Q6. Kindly provide your view on the suitable distance of a station's location from the waterfront, together with justifications.***

***Q7. Kindly give your input on the proper fees of this license type.***

***(Please be noted that, according to Telecommunications Act, license fees include licensing fees; annual fees for commercial provision of service; and annual fees for administrative works, together with fixing the suitable amount of fees.)***

## 6. The Relations between Licensed Landing Station Operators and Licensed Networks Operators

As aforementioned, landing station operators will be allowed to provide their services to FBPs only. These stations will be also used to connect to cables, re-boost transmission in cables, maintenance ands operation of these cables, and connecting international operators to local and regional ones.

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<sup>1</sup> Refer to Article 11 of Bylaws of telecommunications Act, and visit CITC website [www.citc.gov.sa](http://www.citc.gov.sa) to see details of class licenses.

## 7. Other Related Issues

In order to give the public a wider scope to contribute and provide their comments regarding the landing stations Licensing, the CITC invites the public to express their views regarding any other related issues, including the effect landing station licensing would have on existing telecommunications and IT market in the Kingdom, direct and indirect impact on national economy, and most importantly, preserving the maritime environment within the Kingdom's territorial waters.

***Q8. Interested parties are welcome to express their views and opinions regarding other related issues, including addition of further information not examined in this document which the participant sees that they are significant and worthy of tackling.***