هيئة الاتصالات وتقنية المعلومات

Communications and Information Technology Commission

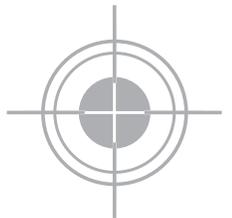2007

ANNUAL REPORT
FIGURES & FACTS

بسم الله الرحمن الرحيم

هيئة الاتصالات وتقنية المعلومات

Communications and Information Technology Commission

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

His Royal Highness
Crown Prince Sultan Bin Abdulaziz Al Saud
The Deputy Premier & The Minister of Defence & Aviation & Inspector

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Chairman's Statement

The information and communication technology (ICT) sector is a key element of the Saudi economy, with increasing impact on productivity and the gross domestic product. Liberalization of the telecommunications sector and the opening of markets to competition have contributed to the revitalization of the national economy, increasing efficiency and productivity, contributing to the higher rates of growth of national income and the development of human resources, and encouraging domestic and foreign investment in the sector.

The Kingdom realized early on, the importance of ICT to society and to the national economy, and its pivotal role in building the information society. As a result, the Government focused particular attention, and much progress was achieved by the Kingdom in the past few years, in the roll out of telecommunications networks and services.

At the same time, the government is working to promote the availability and usage of IT services and applications, and expedite the transition to the information society and the digital economy. To this end, the Council of Ministers approved the "National Communications and Information Technology Plan (NICTP)" on May 28th, 2007. The NCITP includes a long-term vision to transform Saudi Arabia into an information society and a digital economy. The NICTP also includes the first five-year plan detailing the initial steps toward achieving the vision.

Backed by the Government's support, and with the accelerated momentum of the market, the CITC will continue to lead ICT sector development, pursue the necessary actions to further liberalize the telecom market, strengthen competitiveness, develop regulations and procedures, increase awareness of IT applications and benefits, and promote its effective usage.

The Year 2007 saw the completion of an important stage towards full liberalization of the sector with the granting of the third license to provide mobile telecommunications services, and with qualifications of three consortia for the award of new licenses for fixed telecommunications services, thus opening the fixed telephony market for competition for the first time in Saudi Arabia. Furthermore, steps were taken to boost Internet usage and promote IT adoption. In addition, the CITC continued to apply its balanced regulatory approach to stimulate competition, and to safeguard consumer rights and other stakeholders' interests. These efforts have led to increased availability of services, improved quality and lower prices. This in turn has contributed to growth of the sector in terms of subscriber numbers, the number of licensed service providers and of their revenues, as this report shows.

On behalf of the CITC Board, I am pleased to present the 2007 Annual CITC Report which highlights the major activities and accomplishment of the Commission during the year.

In conclusion, I would like to pay tribute to the strong support given by the Government of the Custodian of the Two Holy Mosques to the sector and to the CITC. I also wish to thank the CITC Board, H.E. the Governor and the CITC employees for their dedication and efforts. I am confident that they will continue to excel and contribute to meet the challenges of 2008 and beyond in order to achieve the CITC's vision and mission.

Mohammed Jamil A. Mulla
Chairman of the Board

⊕ Governor's Statement

The CITC plays a leading role in the development of the Information and Communications Technology (ICT) sector in the Kingdom of Saudi Arabia. Through liberalization of the telecommunications market and by promoting IT usage, the CITC is contributing to the realization of the national strategic goals of developing the economy, diversifying sources of income and transitioning to a knowledge society. To foster development of the ICT sector, the CITC has been working to increase the level of competition in the provision of telecommunications services as well as to improve their quality and to develop qualified human resources.

This report reviews the main activities and achievements of the CITC in 2007 as part of its strategic plan aimed at achieving the CITC's vision of "Universally available, high quality and affordable communications and information technology services".

The focus of the CITC's efforts over the past year was on completing liberalization of the sector and developing ICT services. Among the most notable achievements of the year was the award of the third license to provide mobile telecommunications services, as well as initiating competition in the provision of fixed telecommunications services by qualifying three companies to obtain fixed licenses. The fierce competition among license applicants, including local and international investors, and the financial bids to obtain licenses, confirm the attractiveness of the Saudi telecommunications market and its promising future.

In addition, the CITC issued licenses for provision of a number of other services, and continued its regulatory activities to ensure fair and effective competition. The CITC also continued its work on numerous sector related activities including: fostering development of Internet services in the Kingdom; promoting IT adoption and use; managing the scarce resources of frequency spectrum and numbering; preparing the National Frequency Plan; establishing technical specifications for telecommunications equipment; addressing user complaints; following-up on application of the Telecommunications Act; dealing with violations of the Act; preparing draft Bylaws and regulatory frameworks, and conducting studies aimed at developing the ICT sector.

The CITC maintains its firm commitment to its established principles of fairness, transparency and consultation. In the pursuit of its goal of full liberalization of the ICT market, the Commission will continue to adhere to the highest professional standards and to benefit from international best practice.

In conclusion, I would like to pay tribute to the continued support of the Government of the Custodian of the Two Holy Mosques. I also wish to thank His Excellency the Chairman of the Board, the Board members, all the CITC staff, and all who contributed to the success of the CITC by sending their views and suggestions to the CITC and supporting it in the pursuit of its goals. Special words of recognition and appreciation are due to His Excellency Dr. Mohammed Al Suwaiyel - the former Governor - for his effective leadership in enabling CITC's achievements during the past years.

Dr. Abdulrahman Al-Jafary

Governor

CITC Board

CHAIRMAN

H.E Eng. Mohammed J. Mulla
Minister of Communications and
Information Technology

DEPUTY CHAIRMAN

Dr. Abdulrahman Al-Jafary
Governor of the CITC

MEMBER

Dr. Abdullah A. Al- Rasheed
King Abdulaziz City for Science and
Technology

MEMBER

Mr. Ali S. AL-Hedaithi
Ministry of Finance

MEMBER

Mr. Ahmed H. Bedaiwi
Ministry of Trade and Industry

MEMBER

H.E Ahmed Abdullatif
Private Sector

MEMBER

Dr. Ihsan Ali. Bu' Hulaiga
Private Sector

MEMBER

Dr. Abdelaziz A. Al- Gwaiz
Private Sector

Vision & Mission

Vision

Universally available, high quality and affordable communications and information technology services

Mission

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

1. Executive Summary

This report summarizes the main activities and accomplishments of the Communications and Information Technology Commission during 2007. The report highlights CITC's vision and mission together with the regulatory framework and CITC's roles and responsibilities. It reviews the key indicators of the ICT market evolution since creation of the CITC. The report has a number of annexes summarizing the key Board decisions, Commission decisions, public consultations, licenses issued, spectrum management activities, and financial accounts for the year, as well as excerpts from the staff Code of Conduct and Professional Ethics.

The report also describes the main activities and achievements during the reporting period (Section 4), notably:
- Steps completed towards the issuance of the third mobile license
- Opening of the fixed telecommunications market
- the National Frequency Plan
- Issuance of 71 new licenses
- the Reference Offer for Data Access (RODA)
- LRIC-based costing of wholesale telecommunications services
- Terms of Service for fixed, mobile and data telecommunications services
- Technical and regulatory frameworks and guidelines
- Tariff Regulation
- Guidelines for implementation of fixed number portability services
- Monitoring quality of service (QoS) indicators
- Internet domain names registration and filtering systems
- National Center for information security (CERT-SA)
- Information technology strategic plan

- Internet service development
- Anti SPAM regulatory framework
- Addressing violations and consumer complaints
- Preparing Bylaws of the "e-Transaction Act"
- ICT services for pilgrims during the Hajj and Ramadan

This report also highlights some of the studies undertaken by the Commission during 2007 (Section 5). Finally, the report presents the CITC's work program for 2008.
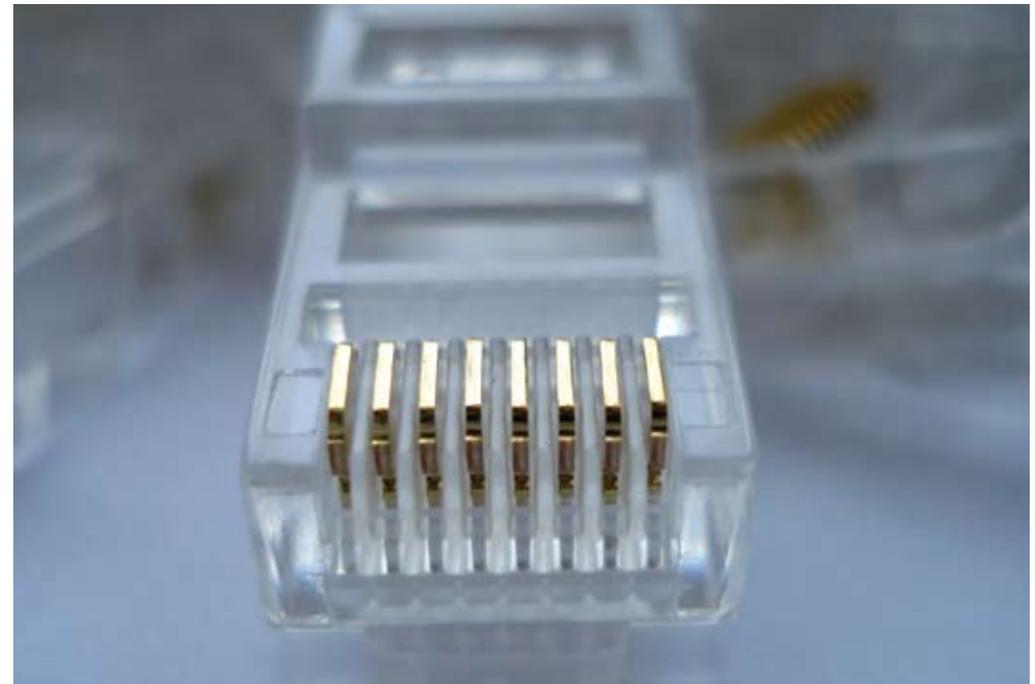
2. ICT Sector in the Kingdom of Saudi Arabia

2.1 ICT Sector Evolution in Saudi Arabia

Mobile Telecommunications Market:

Competition in the mobile telecommunications market, which started in 2005, has resulted in major developments in terms of service offerings, quality of service, customer care, reduced prices and subscriber growth. The number of mobile subscribers has grown to around 28.4 million (116% penetration) by the end of 2007, up from 19.7 million in 2006 and only 2.5 million when the CITC was established in 2001. The cumulative average growth rate (CAGR) for the last six years amounted to around 46% annually. Figure 1 depicts the mobile subscriber evolution (2001-2007). Prepaid subscribers constitute the majority (83%) of all subscribers which is in line with the trend in other similar markets around the world.

It should be pointed out that the subscriber numbers shown in Figure 1 are based on data reported by the two mobile service providers. In order to have a standard unified definition of what is meant by a mobile subscriber, the CITC recently issued a decision to adopt a standard definition of "Active Mobile Subscribers" based on a 90-day activity rule. Mobile service providers are required to report their subscriber numbers to the CITC according to the new definition by the end of the First Quarter of 2008.

Figure 1
Mobile Service Market Growth in Saudi Arabia (2001-2007)
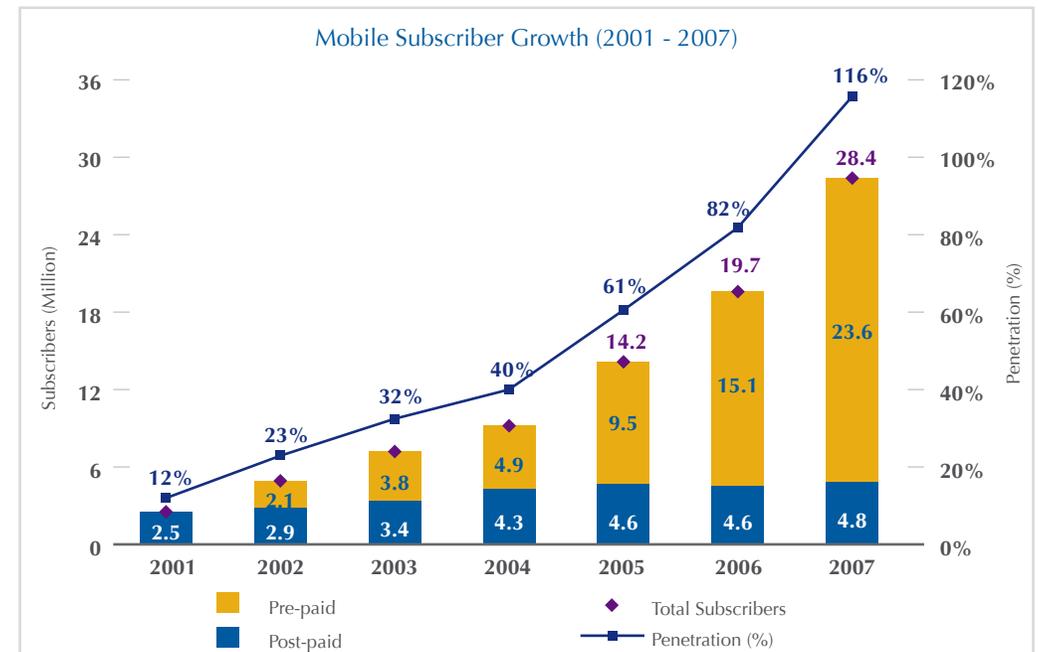
Note: Based on numbers reported by mobile service providers (including temporary addition of about 2 million pilgrims and visitors).

Fixed Telephony Market:

Fixed telephone lines approached 4 Million at the end of 2007, 73% of which were residential lines (2.9 Million). This represents a household teledensity (percentage of households with a telephone) of around 66.5%, or 665 residential phones for every 1000 households. The population teledensity is around 16.3% (163 telephones lines for every 1000 inhabitants). Figure 2 below shows the evolution of fixed telephone service (2001-2007). The slight decline in residential fixed telephone lines is attributable to reduced demand for the fixed service due to the increased adoption of mobile services, as telecommunications is becoming more personal and focused on the individual (rather than a shared household service). This migration or "fixed-to-mobile substitution" is a global trend witnessed in many countries.

Figure 2

Fixed Telephone Evolution in Saudi Arabia (2001-2007)
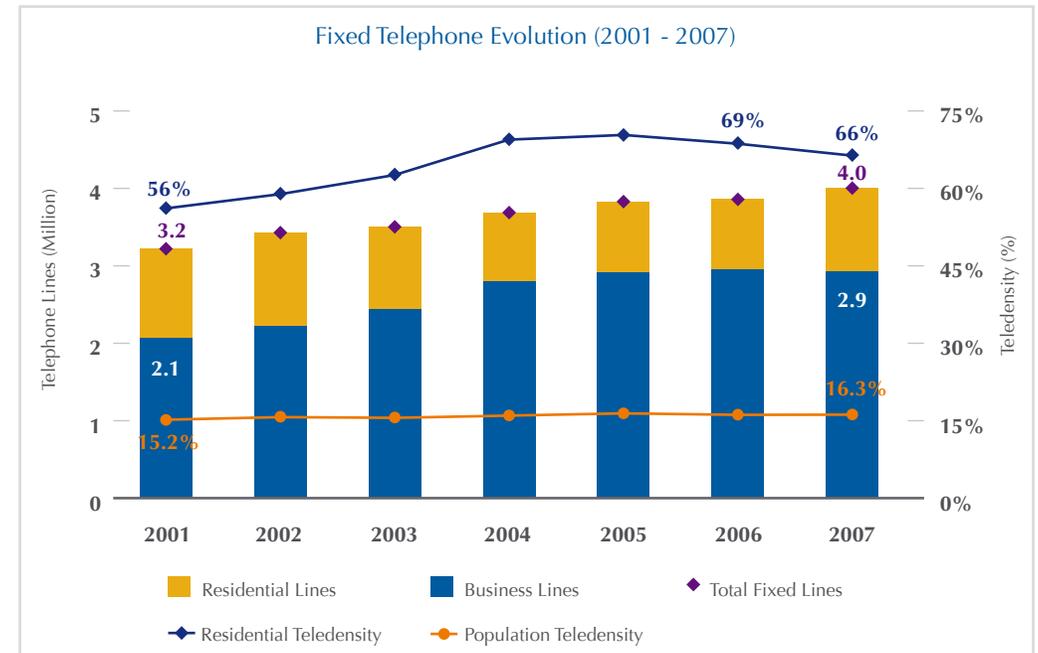
2. ICT Sector in the Kingdom of Saudi Arabia

Broadband Services Market

Broadband subscribers have grown from 24,000 in 2004, to over 623,000 at the end of 2007, as depicted in Figure 3. This represents a cumulative annual growth rate (CAGR) of around 126% annually over the last 4 years, with a nearly 10 fold increase over the last two years (2006/7) alone. Household broadband penetration stood at 10.3% by the end of 2007. Despite the high growth, however, the broadband penetration rate of around 2.5% of population is still low compared to both the developed countries and some other developing countries with similar characteristics to Saudi Arabia.

There is a huge growth potential for broadband services in the Kingdom. A large unmet demand exists because of supply side limitations, and demand is expected to grow at a rapid rate, offering attractive opportunities for broadband network and service expansion in the Kingdom. With the opening of the fixed telecommunications market to competition, the broadband market is expected to grow at a faster pace, especially on the supply side, as the three new service providers, scheduled to be licensed in 2008, roll out their broadband networks and launch services.

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Broadband Market Evolution (2001-2007)

Broadband Subscriber Growth (2001 - 2007)
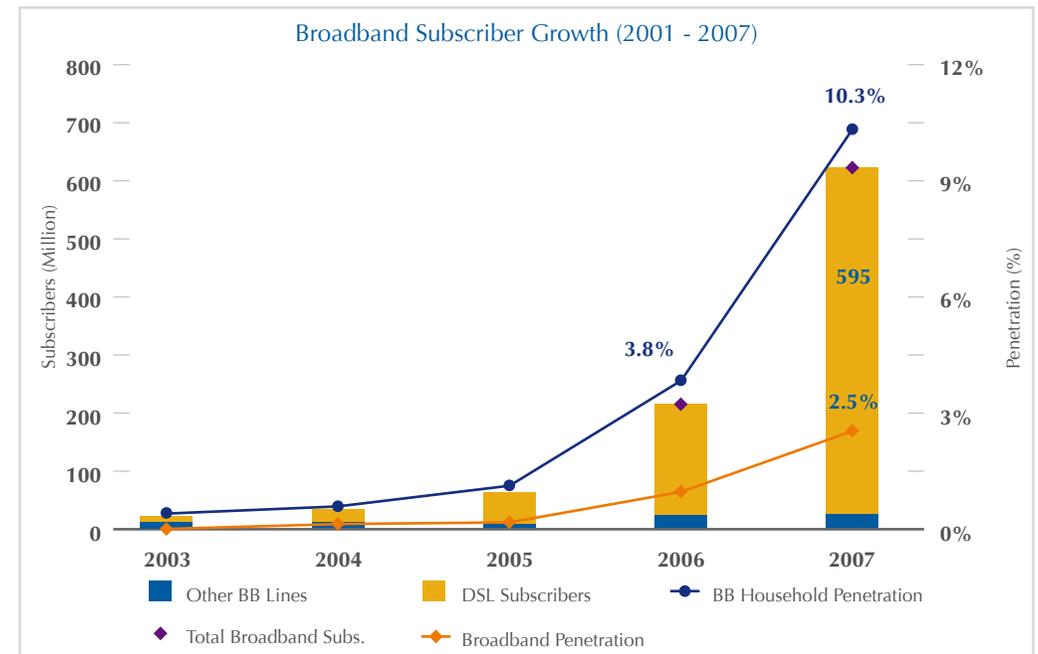
Internet Services Market

Internet users grew from around 1 million in 2001 to an estimated 6.4 million by the end of 2007 (a penetration rate of around 26%), as shown in Figure 4. This corresponds to a cumulative average growth rate (CAGR) of around 36% annually. This rapid growth is attributed, among other factors, to increased public awareness of the internet, growth in broadband, decreasing cost of both computers (PCs and laptops) and internet access, and enhanced usefulness of the internet (e.g. more Arabic language sites and increasing applications such as online banking and e-commerce/government applications).

Figure 4
Internet Market Evolution (2001-2007)

Internet User Growth (2001 - 2007)
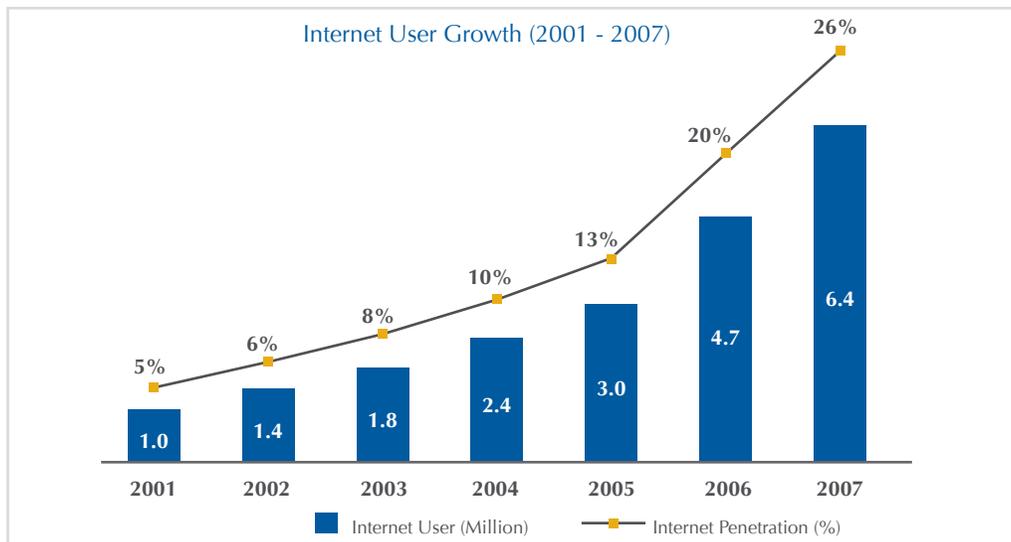
Note: For the Years 2001-2007: numbers of users are CITC estimates based on reported internet connections (dial-up and broadband). For 2007, the connection-based estimate is adjusted based on the results of a major field survey of the internet market commissioned by the CITC.

Revenues

Telecom service revenues have been steadily growing at a cumulative average rate of around 14% annually, increasing from 19.8 billion Saudi Riyal (US$ 5.28 billion) in 2001 to around SR 43 Billion (US$ 11.47 billion) in 2007. Mobile services revenue represents around 80% of all sector revenues (which is in line with trends in other countries). Figure 5 tracks the overall revenue growth including fixed and mobile services revenues over the seven years (2001-2007).

Figure 5
Telecom Services Revenues (2001-2007)

Telecom Services Revenues 2001 - 2007 (SR Billion)
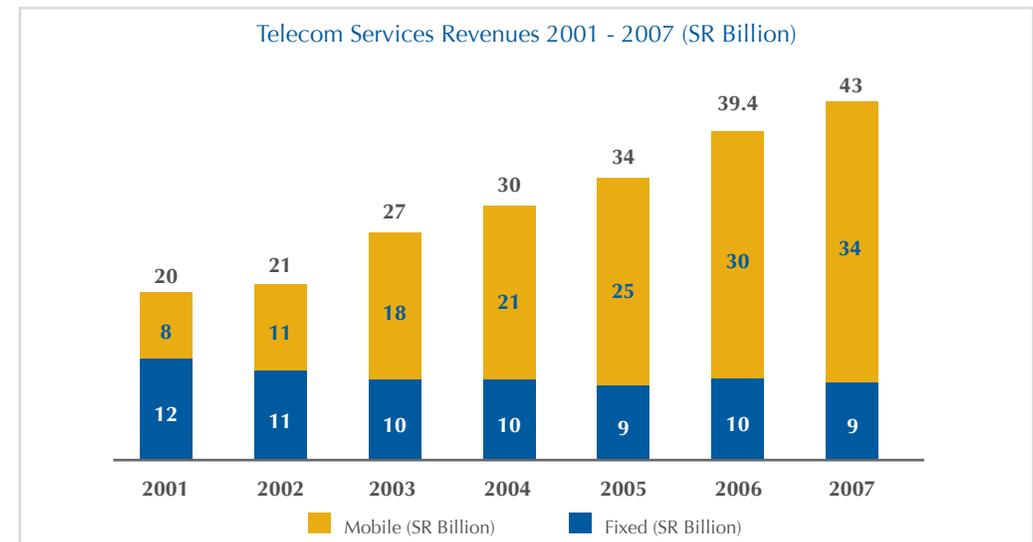
2. ICT Sector in the Kingdom of Saudi Arabia

2.2 Regulatory Framework

The CITC is the telecommunications regulator and information technology promoter in the Kingdom of Saudi Arabia. The Telecom Act (enacted in June 2001) and its Bylaw (issued in July 2002), provide the basis for the CITC's regulatory framework. The CITC Ordinance (issued in June 2001 and amended in July 2003) and the Rules of Procedures (2004) define CITC's mandate, functions, governance, financing, and detail of the steps service providers and the CITC need to follow for timely disposition of issues addressed to the CITC.

The CITC is currently applying a "technology neutral and service specific" licensing regime, which allows licensed service providers to offer specific services, under the terms and conditions of their licenses, utilizing technologies of their choice. The CITC is working to further liberalize the ICT market, increase competition in the mobile and the fixed services markets, encourage the rollout of competitive network infrastructures and offering of new services, and enable universal availability of advanced ICT services. To this end, the CITC continued to review its current regulatory frameworks and develop new ones.

In reviewing and developing the regulatory framework, the CITC continued its established practice of seeking comments from stakeholders and interested parties through public consultations and other means, and taking into account the responses received, the public interest and protection of the consumers. The specific regulatory framework documents published in 2007 (the associated Decisions are listed in the Appendices A and B) are as follows:

- Regulatory Framework for Short Message Codes Related to Value Added Services
- Temporary Controls on Regulating WLAN Internet Services using Wi-Fi Outside Buildings and Private Complexes
- Regulation for Import and Usage of ICT Equipments including Bluetooth
- Technical guidelines on Electromagnetic Radiation from radio Base Stations
- Technical rules for prevention of mobile handset thefts
- Definition of the "Active Mobile Subscriber"

The CITC Statutes as well as the published regulatory framework documents are available on the CITC's web site (www.citc.gov.sa).

On the IT front, the "e-Transaction Act" and the "e-Crime Act" were enacted, and issued by Royal Decrees, in March 2007. The two Acts, together with internet regulatory frameworks are available on the internet service website (http://internet.gov.sa) managed by the CITC.

2.3 CITC Roles and Responsibilities

The CITC's main role is to liberalize and regulate the telecommunications market while attracting local and international investments in the ICT sector. As a regulator, the CITC must be fair and equitable to all stakeholders including service providers, investors, the government, and users – both businesses and consumers. The CITC is responsible for safeguarding the public interest, protection of consumer rights as well as ensuring safety and security within the context of the ICT environment. The CITC also has a key role in promoting the IT sector.

The CITC has a responsibility to implement the ICT sector policies and plans of the Ministry of Communications and Information Technology (MoCIT). In this context, the CITC continues to implement the Government strategies and its policies as approved by the MoCIT.

With regard to the internet service in Saudi Arabia, the CITC is now responsible for operation and administration of the Saudi Network Information Center (SaudiNIC), in addition to the management of the national top-level domain name (.sa), domain name registration, and internet filtering services.

The CITC Ordinance defines the CITC roles and responsibilities in detail, and the CITC

3. Organizational Structure and Manpower

Statutes, including the Ordinance, are available on its website (www.citc.gov.sa).

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

The CITC is building a competent and motivated workforce through recruitment and development of highly qualified personnel. The total number of CITC staff at the end of 2007 was 279 of which 98% were Saudis. The professional staff (engineers, IT specialists; technicians; financial, administrative and legal specialists) accounted for over 75% of total employees.

The CITC has a Code of professional Conduct for its Employees in order to ensure the rights of all stakeholders are respected and that they are dealt with courteously, fairly and impartially; to safeguard against conflicts of interests, either real or perceived; and to protect against misuse of authority. Excerpts from the Code of Conduct are published on the CITC website (Appendix G).

Board of Directors

Universal Service Fund

Governor

- Internal Auditor
- Governor's Office
- Board Secretary
- Regional Offices
- GM-International and Public Affairs
- Advisors

Deputy Governor - Regulatory Policy & Licensing
- GM - Licensing
- GM - Services Provider Regulations
- GM - Sector Policies & Market Studies
- Director - Sector Policies
- Director - Market Studies

Deputy Governor - Tech. Affairs
- GM - Technical Support
- GM - Standards & Numbering
- Director - Technical Standard & Type Approval
- Director - Numbering

Deputy Governor - Spectrum Affairs
- GM - Frequency Planning & Allocation
- GM - Frequency Licensing
- GM - Spectrum Monitoring
- Director - Spectrum Support System

Deputy Governor - Legal Affairs
- GM - Legal
- GM - Complaints & Dispute Resolutions
- Director - Users Complaints
- Director - Dispute Resolution
- Director - Records Management Center

Deputy Governor - IT
- GM - IT Plans & Programs
- GM - Internet Services
- GM - National Center of Information Security
- GM - IT Services
- Director - Applications & Technical Support
- Director - Networks & Information Centers

GM - Finance & Administration
- Director - Human Resources & Training
- Director - Planning & Budget
- Director - Financial Accounts
- Director - Purchasing
- Director - Support Services

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4. Major Activities in year 2007

4.1 ICT Sector Liberalization

As part of its drive to fully liberalize the ICT market and attract more investment to the sector, the CITC completed a transparent licensing process leading to the award of the 3rd mobile services license, and the qualification of three new companies for award of fixed services licenses.

3rd Mobile License:

In response to the Request for Applications (RFA) issued by the Commission in 2006, nine applications for the 3rd mobile license were submitted by 9 consortia which included major international mobile operators as investing and operating partners.

Upon evaluation of the technical proposals in accordance with a predetermined methodology, the CITC Board approved the qualification of 7 of the Applicants and authorized the opening of the financial proposals of the qualified Applicants. These were opened in a public ceremony, attended by representatives of the qualified Applicants. Saudi MTC was found to have submitted the highest financial bid. Based on the CITC Board recommendation, the Council of Ministers approved the award of the 3rd License for provision of mobile telecommunication services to Saudi MTC.

Fixed Telecommunications Service Licenses:

The CITC received 10 applications for fixed facility based licenses in response to the RFA it had previously issued. All the applications were submitted by consortia which included major international service providers as investing and operating partners.

The Technical proposals of the Applicants were evaluated by the CITC following a predetermined and well defined methodology. The Board approved the evaluation results and announced the qualification of 3 of the applicants for the next phase of the selection process. The Financial bids submitted by the two qualified applicants who applied for frequency spectrum were opened in a public ceremony attended by representatives of the qualified Applicants. Frequencies were assigned in accordance with availability of requested frequencies, and predetermined procedures published in the RFA.

The CITC Board decided to recommend to the Council of Ministers the award of three new licenses for provision of fixed telecommunication services to the 3 qualified Applicants: Optical Communications (Verizon of USA), Mutakamilah (PCCW of Hong Kong), and Atheeb (Batelco of Bahrain). Upon approval of the Council of Ministers (expected in early 2008), the CITC will proceed to follow up the rest of the procedural steps for issuances of the three licenses.

4.2 National Frequency Plan

The National Frequency Plan (NFP), developed by the Commission, defines categories of users and frequency allocation tables for different services and users. The final NFP proposal was approved by the CITC Board, and was then submitted to the Council of Ministers for final approval, which is expected in 2008.

4.3 Licenses Issued

In line with its strategy of increasing competition and liberalizing the ICT market, the CITC issued 71 new licenses during the year, raising the total number of issued licenses to 296, by the end of 2007. Details of the issued licenses are contained in Appendix D.

4. Major Activities in year 2007

4.4 Reference Interconnection Offer (RIO)

Based on CITC's earlier Decision in 2006 approving the modified Reference Interconnection Offer (RIO) of the Saudi Telecommunications Company's (STC) and requiring STC to offer specific additional services and file a revised RIO (3rd version), STC submitted a revised RIO document. The CITC held a public consultation in order to obtain the views of stakeholders and also allowed STC the opportunity to respond to the stakeholder comments. The CITC reviewed all the responses, conducted an analysis based on its benchmarking of best practice, and identified a number of required improvements to be incorporated in a new RIO submittal by STC for CITC's approval in 2008.

4.5 Reference Offer for Data Access (RODA)

The CITC approved STC's Reference Offer for Data Access (RODA), after considering a number of revisions and improvements to the previously submitted drafts, as required by the CITC and resulting from public consultation process. The CITC Decision approving the RODA (number 178/1428) is available on the CITC web site. The CITC will undertake a regulatory process for a periodic updates of the RODA.

4.6 Accounting Separation

The main goal of Accounting Separation is to ensure that the dominant service provider does not abuse its position of market dominance by engaging in any form of anti-competitive behavior, such as cross-subsidization between various business units. In response to the CITC Decision, STC submitted financial statements on a separated business unit basis for the year 2006. After requiring validation by an independent auditor, the Commission accepted the 2006 separated accounts. For 2007 and beyond, STC is to provide detailed separated financial accounts with an "Unqualified Opinion" from an independent auditor as required by the CITC.

4.7 Long Run Incremental Costing (LRIC)

The CITC determined that wholesale prices have be cost-based, and decided to implement LRIC as a best practice approach for determining wholesale services costs. During the year, the CITC completed a detailed international benchmarking study of methodologies used for implementing LRIC and carried out a public consultation process on the subject as well as on development of methodologies for the top-down and bottom-up models. The CITC then finalized LRIC methodology guidelines based on its analysis of the responses to the public consultation and the benchmarking study. The LRIC Guidelines will be submitted to the CITC Board for approval in the first quarter of 2008.

4.8 Terms of Service

In its efforts to safeguard public interest, protect consumer rights and define the rights and obligations of both clients and service providers, the CITC developed draft documents of "Terms & Conditions of Service" for mobile, fixed, data, and internet services. A public consultation was launched together with directed request for comments from concerned parties including the Shoura Council, other governmental entities, academic institutions, private sector companies, and the public. The responses received are being studied, and the finalized documents will be issued in the first half of 2008.

4.9 Tariff Regulation

During the year, the CITC issued an interim tariff approvals procedure to regulate service provider tariffs pending preparation of a final procedure, after completion of the CITC's

study on market definition and dominance, and implementation of the LRIC methodology (Section 4.7).

In accordance with its statutes, the CITC continued to regulate the service tariffs of STC, the current dominant service provider, and issued the necessary decisions as indicated in Appendix (B).

4.10 Universal Service and Universal Access (US/UA)

In accordance with "the Universal Access and Universal Service Policy" approved in 2006, (the "Policy"), the CITC Board issued a decision to establish the Universal Service Fund (USF), approved the USF budget for 2008, and formed a Board Executive USF Committee chaired by the CITC Governor (see Appendices A and B).

The newly established Fund prepared draft documents covering: a) USF Executive Rules and Procedures, b) USF Administrative Rules c) USF frame Agreements, and d) Request for Proposals (RFP) to award a consulting contract for USF projects. It also initiated the development of the USF strategic and operational plans and pilot projects.

4.11 National Numbering Plan

In 2007, the CITC processed allocation requests for number ranges from service provides; allocated access codes for key public agencies; coordinated with ITU on issues relating to international point codes; and to changes taking place in other countries' numbering plans.

Currently a project is underway to update the National Numbering Plan and the short code regulations for value-added services on mobile short message service (VAS-SMS-SC).

4.12 Number Portability (NP)

The CITC is preparing NP guidelines for fixed services which will encourage competition between fixed facility based providers, by removing a major barrier for subscribers to transfer their service from one provider to another. The Commission is also updating the MNP guidelines to merge them into one comprehensive NP guidelines for both fixed and mobile.

In 2007, the CITC continued to monitor the Mobile Number Portability Clearinghouse database operation, analyzed reports on ported mobile numbers, and enhanced the procedures for accommodating the exchange of final bills, and for disconnecting numbers with non-paid bills.

4.13 ICT Equipment

In addition to the 85 technical specifications for ICT equipment published earlier, the CITC published additional specifications in 2007 for WiMAX subscriber equipment, base stations and ancillary equipment. The CITC periodically updates these specifications based on the latest technologies and technical standards.

Over 4800 equipment type approval requests were handled. In addition, the CITC dealt with over 1500 queries from domestic and foreign companies regarding equipment technical standards.

4. Major Activities in year 2007

The CITC led a working group responsible for preparing a scheme for ICT equipment approval for Arab Regulators Network (AREGNET). The CITC prepared and submitted the final document of the equipment approval scheme which was then approved in the General Assembly of AREGNET held in Abu Dhabi in March 2007.

4.14 Quality of Service (QoS)

In 2007, the CITC conducted a benchmarking study and then prepared a draft document outlining QoS general principles, and a proposal for a QoS scheme. In addition, the Commission continued its follow up of QoS reports submitted periodically by STC, as the dominant service provider, analyzing the reports and then coordinating with the service provider to enhance its QoS performance.

4.15 Regulation and Technical Guidelines

During the year, the CITC prepared and issued several regulatory and technical guidelines as detailed in Section 2.2. The CITC also initiated the development of other guidelines such as:

- Regulatory Framework and associated guidelines for the right of way (ROW) and site sharing for outside plant network and
- Guidelines for marketing and selling of mobile pre-paid cards

4.16 Measurement of RF from Wireless Base Stations

In 2007, the CITC organized a workshop on electromagnetic radiation; prepared a document on methods and procedures for measurement of electromagnetic radiations from wireless base stations; and worked with King Saud University in a survey campaign to perform field measurements of wireless base stations in the Central Region. The

Commission plans to carry out similar field measurement campaigns in other Regions in cooperation with leading academic and research institutions in these Regions.

4.17 Spectrum Management

In addition to continuing its activities in spectrum management (SM) as detailed in Appendix E, the CITC commissioned a new automated SM system to facilitate the analysis and planning of frequency assignments in the Kingdom. The CITC also completed a project to review and document "SM Methods and Procedures".

4.18 Domain Name Registration Service

Saudi Network Information Center (SaudiNIC) at CITC is responsible for the administration of the domain name space for the country code (ccTLD) of Saudi Arabia (".SA"). The mission of SaudiNIC is to provide an equitable, just and competent technical and administrative management of domain name registrations.

During the year, the CITC registered 12440 domain names and modified 1600 requests; provided filtering services to licensed data service providers; enhanced the registration websites with some added tools; developed browser plug-ins to support Arabic domain names; led committees for the "Arabic domain name pilot project" at international events; participated in the evaluation of IDN test; and published a technical report on the evaluation of test domain names.

4.19 National Internet Exchange

The main objectives of establishing a "National Internet Exchange" are to switch local traffic among the Internet Service Providers (ISPs) and the Data Services Providers; to

maintain the exchange of national data within the country; to enhance the reliability, continuity, and speed of transmission; to support national internet site hosting; to improve the quality of service; as well as to reduce overhead costs; and to increase security in the national Internet service.

During the year, the CITC reviewed the current situation including defining CITC's responsibilities; conducted a benchmark study; developed a strategy and an action plan; and issued an RFP for consulting services.

4.20 Internet Service Development Strategy

The main objectives of the Internet Service Development Strategy are to upgrade the quality of Internet service in the Kingdom and to promote new services resulting in higher penetration rates. During the year, the CITC reviewed the current situation for Public Internet Services in Saudi Arabia; reviewed CITC's present Internet roles and responsibilities (domain name registration, internet filtering and National Internet Exchange); developed the Internet Technology & Services Outlook; conducted benchmarking studies; and carried out Gap Analysis. The CITC is currently developing the Internet Services Strategy and Roadmap, which is expected to be completed in 2008.

4.21 Information Technology (IT) Strategic Plan for CITC

This project aims to develop a comprehensive strategy for CITC's IT initiatives in the Kingdom. During the year, the CITC completed an IT development benchmark study; interviewed stakeholders in the public and private sectors to collect their IT related views and recommendations; identified over fifteen projects and initiatives related to access infrastructure, local digital content, IT-related skills, and IT awareness; and developed

a process to prioritize the key projects. The IT Strategic Plan is to be finalized in 2008, with major thrusts towards increasing awareness and usage of IT, its local content and broadband infrastructure.

4.22 Smart City Initiative

The CITC continued to develop its Smart City initiative providing a framework for the planning and execution of the smart city initiative Kingdom-wide; organized the Smart Cities Forum in association with Riyadh Municipality and the Arriyadh Development Authority (ADA); and led the launch of the smart street pilot project in Riyadh. In addition, the CITC launched the free Wifi hotspot services in Mina (Makkah Area) during the 2007 Hajj season.

4.23 National Center for Information Security (CERT)

The national center for information security awareness called the Saudi Arabian - Computer Emergency Response Team (CERT-SA) was established in 2006; with the objectives of enhancing security awareness, and playing a leading role in management, detection, prevention, coordination and response to information security incidents at the national level.

During 2007, the CERT-SA continued to coordinate with CERT centers in other countries; developed and issued a number of security awareness leaflets; and prepared an "Information Security Handbook" to be published in 2008.

4. Major Activities in year 2007

4.24 SPAM

Electronic SPAM messages – the digital descendants of unsolicited paper mail advertisements and marketing phone calls present major nuisance for ICT users, and come in several forms such as e-mail, cell phone text, and fax messages. In order to increase confidence and security of ICT usage, the Anti-SPAM project was launched, with the objectives of developing a regulatory framework, increasing the awareness of the SPAM problems, developing measures to deal with SPAM.

During the year, the CITC assessed the current situation; conducted international benchmarking; developed draft Anti-Spam Policy Framework; developed draft Anti-SPAM awareness guidelines; and studied technical aspects of dealing with SPAM.

4.25 Consumer Complaints and Violations

In accordance with the CITC statues requiring the Commission to protect ICT consumer rights, the CITC handled over 3200 complaints during the year, and resolved them successfully. In order to increase the CITC's efficiency and effectiveness in processing complaints, a draft procedures document for handling complaints was developed and will be finalized next year.

In addition, the CITC Violations Committee considered 1748 cases of reported violations of the Telecommunications Act, and issued appropriate decisions, in accordance with the applicable statutes.

4.26 Media Activity

The CITC continued its active role of increasing public awareness, and proactive engagement with the press and media. To this end, the CITC undertook extensive marketing media activities including press conferences, press releases, announcements, and interviews with the mass media (TV and radio) and the press. In addition, the Commission issues an electronic daily Press Monitor distributed daily to all CITC staff; the daily monitor tracks press coverage of the CITC and the ICT related news, with periodic analysis of CITC media coverage and public image.

4.27 Local, Regional and International Participation

The CITC has participated in many Local, Regional and International meetings and conferences, including ICT related committees of the Gulf Cooperation Council (GCC) and the League of Arab States (LAS); meetings of the Arab Regulatory Network (AREGNET), the Global Symposium for Regulators (GSR 2007), the World Radio Conference 2007 (WRC07), and other ITU meetings.

In addition, the CITC was the main Speaker in a number of local and international conferences such as the meetings of the Arab Team for Domain Names in Cairo, Regional Seminar on Internet Protocol (VoIP) in Algiers, the Euromoney Saudi Arabia Conference in Riyadh, the ITU workshop on "Competencies for Competitiveness" in Cairo, the Saudi Telecommunications Society in Riyadh, VoIP World MENA 2007 in Dubai, the Saudi Investment Forum in Dammam, and the International Symposium on Computers & Arabic Language in Riyadh.

4.28 Telecommunication Services Supervision during Hajj 2007

The CITC continued to follow up on the performance of licensed service providers. The CITC in cooperation with other Government departments worked to ensure provision of the best ICT services to pilgrims.

For the Hajj 2007, the CITC carried out a spectrum monitoring around the Holy Mosque and Hajj areas to ensure there was no harmful interference; conducted quality of service (QoS) measurements for mobile services; monitored the fixed, pay phone, and internet services; supervised the launch of a free WiFi internet service trial in Mina; conducted field visits to service providers and reviewed the performance of their networks; conducted user surveys among pilgrims; and responded to user complaints with timely action to address them.

5. Studies Undertaken by the CITC

The CITC continued to carry out a number of key studies in its march towards achieving the objectives of its Strategic Plan.

5.1. Consumer Protection Strategy

The CITC launched a study to develop an overall Consumer Protection Strategy with the objectives of a) increasing consumer confidence in the ICT services, b) ensuring that consumer concerns and interests are taken into account, and c) strengthening consumers' position in the ICT market place. The CITC completed a situation analysis document covering international benchmarking, consumer issues, discussion of issues and approaches, and proposing a Consumer Protection Strategy with a prioritized list of initiatives.

5.2. Next Generation Networks (NGN)

The CITC examined the regulatory options available for the deployment of Next Generation Networks (NGNs) in the KSA. A detailed benchmarking analysis was conducted on the approaches taken by eight countries. The study addressed the impact of NGN's on related regulatory policies for interconnection, local loop unbundling, quality of service (QoS), numbering and number portability. The CITC will continue to monitor global development of approaches for regulation of NGN's, and will adjust its regulatory framework accordingly at the appropriate time.

5.3. Unified Licensing

In the 2006/2007 licensing process, the CITC adopted a Technology Neutral and Service Specific licensing regime. A study was prepared to analyze the different licensing regimes including the emerging approach of Technology Neutral and Service Neutral Licensing, also termed Unified Licensing, adopted in some countries in response to market trends and the increasing convergence of technologies and services. The study also evaluated the Unified Licensing approach in the context of licensing in KSA, and studied the conditions and impact of introducing it in the Saudi market, including the impact on existing licenses as well as on CITC's regulatory frameworks. The CITC intends to move towards Unified Licensing in a timely manner when the market conditions justify such a move.

5.4. New Services

New ICT technology advancements produce new applications and services, which require corresponding evolution of the licensing and regulatory framework. The Commission launched a study of new services that investors want to introduce into the market. The study's objective was to assess compliance with existing licenses and applicable regulatory frameworks in light of international benchmarks and best practice. As a result, two new types of Class B licenses were issued in 2007: Telecom Hotel; and Interactive Voice Message Broadcasting.

5.5. Mobile TV

A study was undertaken to analyze the technical, commercial and regulatory requirements for the introduction of digital television broadcasting techniques via mobile terminals/handsets. The study reviewed the available international experience and expected future developments in the field and also addressed the potential organizations which could be assigned the responsibility to develop, regulate, and deploy the mobile TV services in the Kingdom.

5. Studies Undertaken by the CITC

5.6. Spectrum Fees

A study was initiated to analyze the spectrum usage fees. Benchmarking analysis with different countries global comparisons was undertaken. The study proposed a simplified way for determining spectrum fees to promote better usage of frequency spectrum, taking into account the interests of concerned parties, and the objectives of encouraging of shifting spectrum usage to higher frequency bands and aiding the implementation of the NFP.

5.7. Internet Filtering and Satellite Internet Access

An international benchmark study was completed regarding web site filtering and the use of satellites to obtain Internet service. In summary, the results of the study indicated that the majority of the countries benchmarked exercise some control on access to the Internet in accordance with their national regulations. Restrictions vary from one country to the other based on the level and type of the imposed regulations. Most of the neighboring countries in this region prohibit the use of satellite dishes for such purposes, and such use would be in breach of the licenses granted by the regulators. As such, these countries prohibit the access to the Internet via satellite dishes.

5.8. Internet and PC Market Survey

A comprehensive internet market survey was launched in 2007, to evaluate the current situation of Internet and PC usage in Saudi Arabia. The study aims to identify the penetration levels, habits and usage patterns and the future potential of Internet in Saudi Arabia. It covers different types of users –individual users, home users, government agencies, educational institutions and corporate users. The research was designed to ensure national representation. The market survey study 008 and 2009 in order to measure progress and growth.
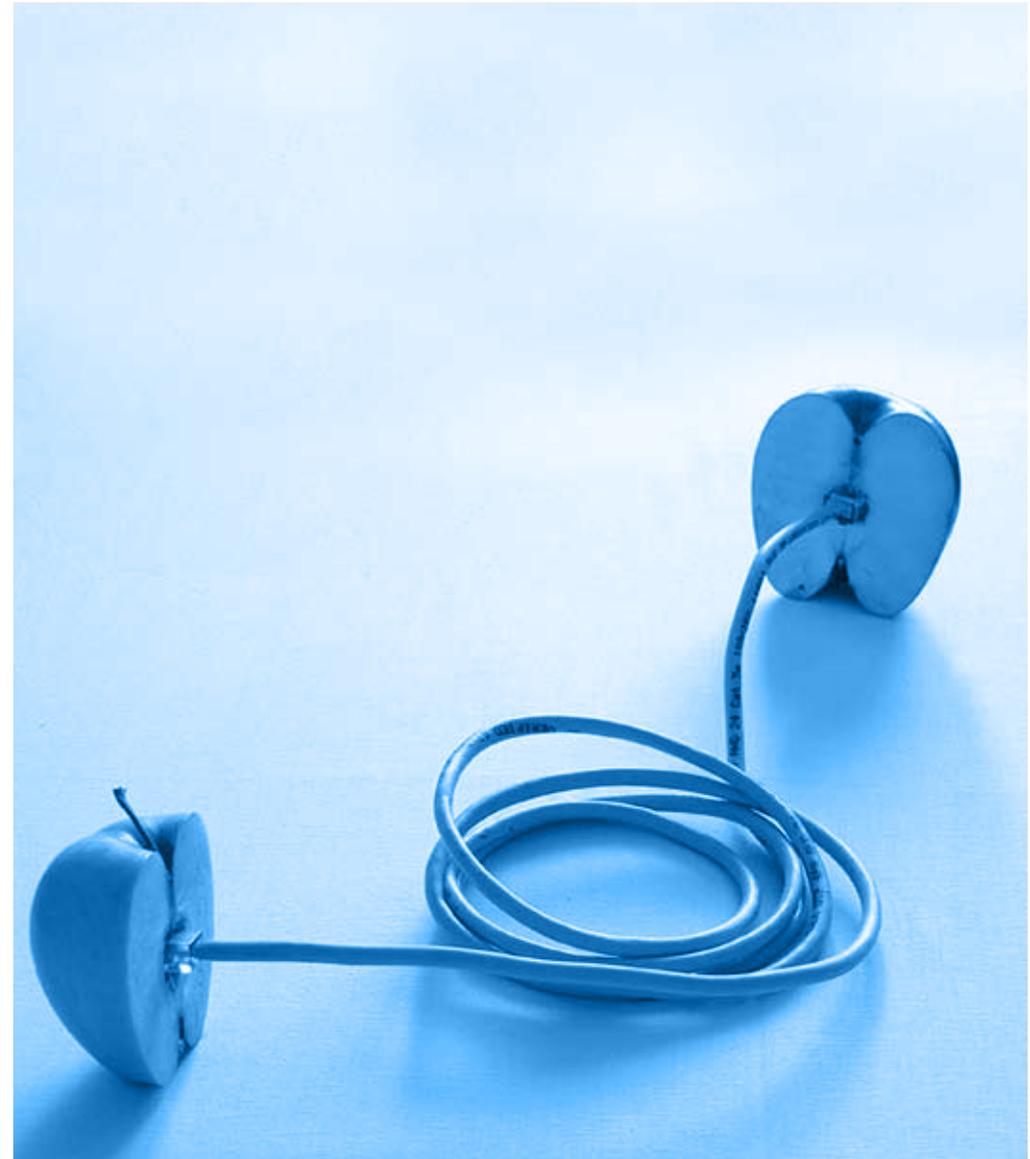
6. Strategic Plan and 2008 Key Activities

The CITC is in the third year of the five year Strategic Plan developed in 2005. The Strategic Plan was updated and aligned with the CITC Annual Budget. The project activities are tracked and monitored on a monthly basis.

The main projects and ongoing activities planned for Year 2008 include:

1. Issuance of the 3rd Mobile License, and 3 new fixed licenses
2. Update of ICT market study
3. Development of emergency and disaster recovery policies and plans
4. Implementation of the LRIC cost models
5. Studies of various telecommunications markets to determine dominance within those markets, and for the mergers and acquisition of ICT licensed companies
6. Development of a regulatory framework for ICT consumer protection
7. Development of national guidelines for the protection from electromagnetic (EM) radiations, and continuation of EM field measurements to assess compliance with the radiation guidelines
8. Update of the technical specifications for ICT equipment
9. Update of the National Numbering Plan; and development and implementation of the fixed number portability guidelines
10. Completion of a Regulatory Framework and associated guidelines covering the right of way (ROW)
11. Update of the Quality of Service regime and its application
12. Approval of the National Frequency Plan and begin its implementation
13. Small and medium enterprise initiative, and smart cities initiative
14. Completion of the IT Strategic Plan
15. Development of internet service and implementation of related projects.

16. Development of the next phase of CERT-SA, and enhance its services
17. Establishment of a national internet exchange (IXP)
18. Automation of CITC's financial and administrative operations by implements an ERP system (Enterprise Resource Planning)
19. Preparation of a manual of CITC's internal processes and procedures
20. Construction of CITC's new HQ building (Phase two) in Riyadh
21. Launching a study to assess the CITC impact on the market, and define strategic directions
22. Development of the CITC's new 5 year Strategic Plan (2009-2013), and
23. Development of the US/UA strategic plan, operational plans and pilot projects for the Universal Service Fund.

⊕ Appendices
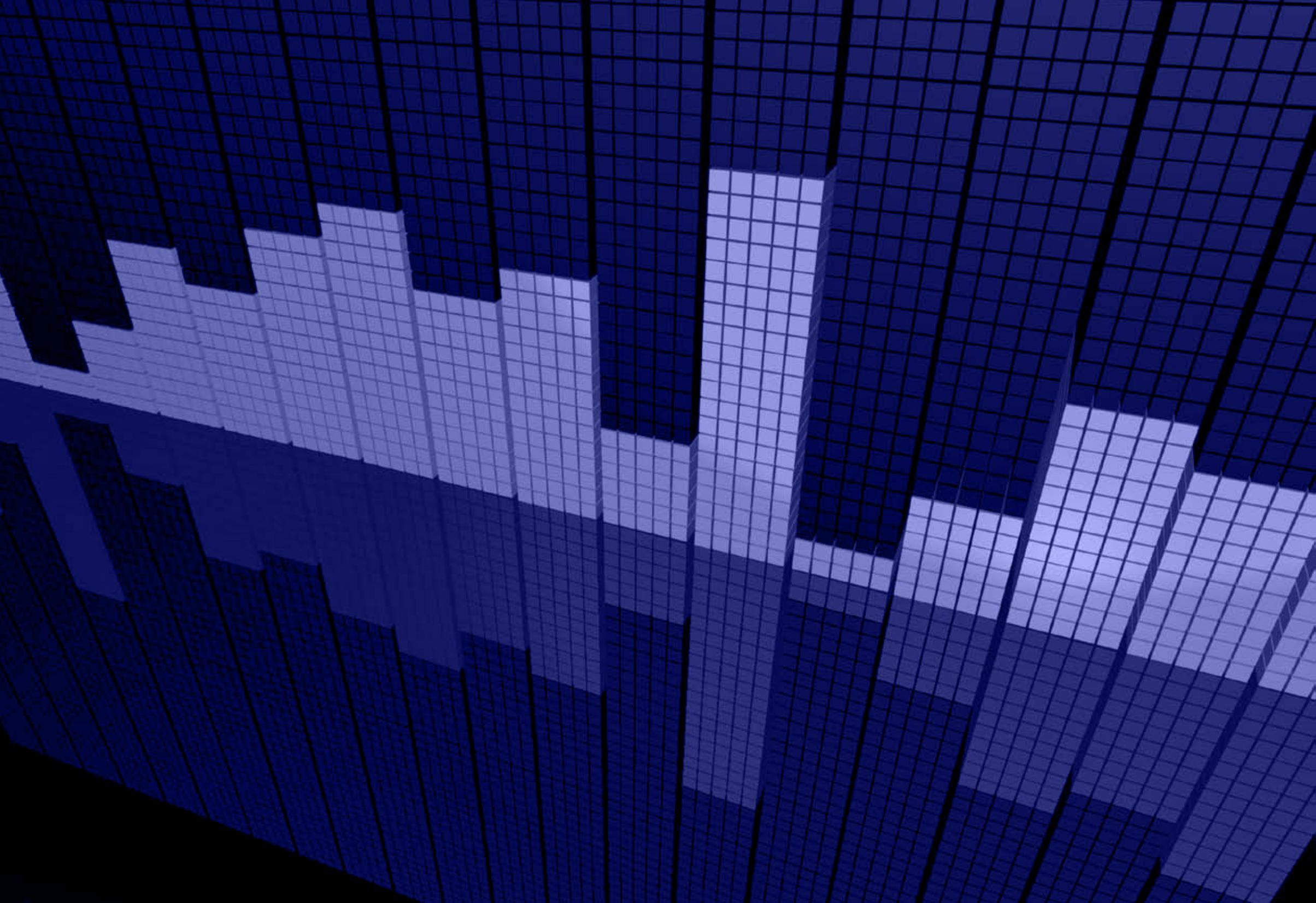
Appendix (A): Board of Directors Decisions

The CITC's Board of Directors held ten meetings in 2007. Some of the key decisions of the Board include:

- Approval of the results of the technical evaluation of the applications for the 3rd Mobile License, and the list of technically qualified Applicants
- Approval of the procedures for the public opening financial proposals, submitted by the qualified Applicants
- Approval of the results of the evaluation of the financial bids for the 3rd Mobile Licenses, and recommendation of awarding the License to Saudi MTC.
- Approval of the results of the technical evaluation of the applications for the public fixed telecommunication service provisioning licenses
- Approval of the results of the evaluation of the financial proposals submitted for frequency spectrum, and recommendations for the award of public fixed services licenses to the following Applicants: Verizon (MCI International Service Inc. of USA), Mutakamelah (PCCW of Hong Kong), and Atheeb (Batelco of Bahrain)
- Approval of the "National Frequency Plan" proposal, and recommending to the Council of Ministers for their approval
- Ratification of the method of determining market share for the internet service
- Approval of the Universal Service Fund (USF) and forming an executive committee consisting of four members of the Board and headed by the Governor
- Selection of the winning bidder for the construction of the CITC Head Quarters' building (1st Phase).
- Directing the re-tendering of construction project for the 2nd phase of the CITC Head Quarter building in Riyadh, and preparation of a value engineering study of the project

- Approval of the CITC's fourth Annual Report 2006
- Approval of the financial statements of the CITC for the year 2006
- Approval of the financial budget projected for the Fiscal Year 2007
- Approval of the Universal Service Fund Budget for the Fiscal Year 2008.

Appendices

Appendix (B): CITC Decisions

Decision #	Date	Subject
149/1428	04/01/1428	Approval of the Regulatory Framework for Short Message Codes Related to Value Added Services
150/1428	12/01/1428	Approval of Kitaf package for ALJAWAL prepaid service (SAWA)
151/1428	06/02/1428	Approval of Al-Jawal Quantitative Discount Proposal
152/1428	06/02/1428	Approval of Al-Jawal Friends & Family Discount Service
153/1428	08/02/1428	Approval of Regulation for Radiation from Wireless Stations
154/1428	10/02/1428	Approval of Discount Rate Adjustment for SAWA Prepaid Service for Family & Friends
155/1428	27/02/1428	Approval of Saudi Data IP-VPN Service Tariff Adjustment
156/1428	28/02/1428	Approval of the Exemption of Clients from Fees for Establishing DSL Services when Requested, plus Establishing a New Phone Line or the Addition of One Starting 01/04/2007
157/1428	05/03/1428	Approval of STC request on purchasing partner>s shares in Awal net company (Saudi Arabic company for telecommunication and Internet services)
158/1428	16/03/1428	Approval of iDEN Project Service Unlimited Small Group PTT Tariff Proposal
159/1428	16/03/1428	Approval of Al Jawal New Service for Collect Call Tariff Proposal
160/1428	19/03/1428	Approval of Adding New Speed (4 Mbps) for the DSL Service
161/1428	21/03/1428	Approval of Launching Al Jawal New Value Added Service of PTT (Push to Talk)
162/1428	23/03/1428	Approval of Al Jawal New Service Voice SMS Tariff

Decision #	Date	Subject
163/1428	23/03/1428	Approval of Al Jawal Business Partner Service Discount Adjustment from 20% to 25%
164/1428	29/04/1428	Approval of the proposal of Al Hatif service Televoting
165/1428	18/05/1428	Approval of Universal Service Fund (USF)
166/1428	20/05/1428	Approval of Adjusting Friends & Family Services from Al-Hatif, enabling the Clients to Benefit from both Friends & Family, and the Favorite Country Plan Services, and Granting Discount in Off-peak Hours to be Applicable for all Hours
167/1428	01/06/1428	Approval of Tariff Adjustment for BRAVO Services in the iDEN Project
168/1428	02/06/1428	Approval of Adding and Adjusting the Multimedia Content Service
169/1428	02/06/1428	Approval of Launching Al Jawal New Service - Al Jawal Blackberry
170/1428	15/06/1428	Approval of Al-Hatif SMS Messages Tariff Adjustment
171/1428	18/06/1428	Approval of Adding New Speeds and Adjusting Tariff for Some Saudi Data Services
172/1428	18/06/1428	Approval of Tariff for Al Jawal New Service – Al Jawal Push Email
173/1428	18/06/1428	Approval of Al Jawal Bulk SMS Messages Tariff Adjustment
174/1428	19/06/1428	Approval of Tariff for Al Jawal New Service of Twin Lines
175/1428	02/07/1428	Approval of Temporary Controls on Regulating WLAN Internet Services using Wi-Fi Outside Buildings and Private Complexes
176/1428	07/07/1428	Approval of new tariff and new speeds for the dedicated internet access service

Appendix (B): CITC Decisions

Decision #	Date	Subject
177/1428	06/08/1428	Mandating STC and Mobily to include Multimedia and 3G services within the interconnection services
178/1428	13/08/1428	Approval of Reference Offer for Data Access(RODA)
179/1428	19/08/1428	Approval of Tariff for international VPN service
180/1428	27/08/1428	Approval of Tariff modification for friends and family service
181/1428	22/08/1428	Approval of Tariff for Al Jawal prepaid (SAWA) call per minute.
182/1428	27/08/1428	Approval of Adjusting Tariff for Al Jawal prepaid roaming service.
183/1428	04/09/1429	Approval of Adjusting Tariff for Al Jawal net.
184/1428	12/09/1428	Approval of Tariff for new service called Jawaly.
185/1428	24/10/1428	Approval of Tariff for new 3G services
186/1428	16/11/1428	Approval of Tariff for new data services
187/1428	24/11/1428	Approval of Tariff for Al Jawal messenger service
188/1428	02/12/1428	Approval of the Definition of the Active User of Mobile Telecommunications Services
189/1428	02/12/1428	Approval of Tariff for Al Jawal group service

Appendix (C): Public Consultations

Public Notice No.	Date	Subject
16/1427	06/01/2007	Technical Specification of WiMAX Equipment
17/1427	08/01/2007	STC's Draft Revised Reference Interconnection Offer
18/1428	18/04/2007	LRIC Model Guidelines
19/1428	16/06/2007	WLAN regulation with Wi-Fi Technology
20/1428	13/08/2007	Anti-SPAM Policy Framework
21/1428	03/09/2007	Definition of Active Subscriber to Mobile Telecommunications Services
22/1428	25/09/2007	Terms and Conditions for Mobile, Fixed, Data, and Internet Services Provisioning

Appendices

Appendix (D): Licenses Issued

D-1: Total Number of Licensees by Year

Service	2002	2003	2004	2005	2006	2007
Fixed Line Telephony Service	1	1	1	1	1	1
2G Mobile Service	1	1	2	2	2	2
3G Mobile Service	---	---	1	2	2	2
VSAT	1	5	5	5	7	13
GMPCS Service	1	2	2	2	3	3
Internet Service	18	18	23	27	47	64
Data Communications	1	1	3	3	3	3
Internet over the Airplane Services	---	---	1	1	1	1
Mobile Services over Aircraft	---	---	---	---	1	2
Automated Vehicle Locator (AVL)	---	---	6	19	24	33
Bulk SMS Service	---	---	6	38	92	122
Audio Text (700) Service	---	---	---	21	26	24
Call Center Service	---	---	---	4	7	11
Electronic Wallet Service	---	---	---	2	2	5
Mobile Service Recharging Card Service	---	---	--	1	4	4
Network Control & Management	---	---	---	2	3	4
Automatic calling	---	---	---	---	---	1
ICT equipment Hosting	---	---	---	---	---	1
TOTAL	21	26	50	130	225	296

D-2: List of Licensees

License Type: Fixed line Telephone Services	(1 License)
1 Saudi Telecom Company (STC)	

License Type: Mobile telecom Services (GSM)	(2 Licenses)
1 Saudi Telecom Company (STC)	
2 Etihad Etisalat Company (Mobily)	

License Type: 3rd Generation Mobile Service (3G)	(2 Licenses)
1 Etihad Etisalat Company (Mobily)	
2 Saudi Telecom Company (STC)	

License Type: Data Service Providers (DSPs)	(3 Licenses)
1 Integrated Telecommunications Company (ITC) Ltd.	
2 Saudi Telecom Company (STC)	
3 Bayanat Al-Oula for Network Services (Bayanat Consortium)	

Appendix (D): Licenses Issued

D-2: List of Licensees

License Type: Global Mobile Personal Communication Services (GMPCS)	(3 Licenses)
1	Farhan Commercial Company Ltd. (Thuraya Services)
2	Thuraya Satellite Telecommunications Company
3	Iridium Satellite LLC

License Type: VSAT Services	(13 Licenses)
1	High Capabilities Technologies Company Ltd.
2	Nasser S Al Harbi Trading Establishment (Al Harbi Telecom)
3	Detecon Al Saudia Co. Ltd. (DETASAD)
4	Integrated Telecommunications Company (ITC) Ltd.
5	Baud Telecom Company
6	Electronia Company
7	AtlasAlbilad Advanced Technology for Communications
8	Channels Center for Electronic Devices
9	British Telecom Al-Saudia
10	International Electronic Telecom Company (Inteltec Saudi Arabia)
11	Saudi Net Link Company Ltd.
12	Showtime
13	Saudi Telecom Company (STC)

License Type: Internet over the Airplane Services	(1 License)
1	Connexion by Boeing

License Type: Providing Mobile Services over Aircraft (GSM 1800)	(2 Licenses)
1	OnAir-Switzerland S.a.r.l.
2	Datastar International Ltd.

License Type: Automatic Vehicle Location AVL	(33 Licenses)
1	Technology Gates Computer Establishment
2	Sara Business Solutions
3	Farhan Commercial Company Ltd. (Thuraya Services)
4	Saudi Early Warning Company
5	Abdullatif Alarfaj & Brothers Holding Company
6	Interkey Company for Communication and Computer
7	Almisehal Group for Trade Ltd.
8	Electronia Company
9	Zultec Fleet Management Company Ltd.
10	Nour Communications Company (NourNet)
11	Best IT Solutions Establishment

Appendices

Appendix (D): Licenses Issued

D-2: List of Licensees

12	Al-Maharat Company
13	First Internet Company
14	Scorpion Star Telecom Est.
15	Third Dimension Technology Limited
16	AtlasAlbilad Advanced Technology for Communications
17	Anbit Arabia Company Limited
18	GulfNet Solutions Est.
19	Omnitec International Group
20	Daleelteq IT Company Ltd.
21	Al Qahtani Fisk Electrical and Telecommunications Company
22	Al-Motabei for Electronic Systems
23	Engineering Warranty Est.
24	Mohammed Ali Al-Esayi Group for Trading
25	AlBassami International Bussiness Group Co.
26	Steps Int>l Business Group
27	M.A.S. Bugshan Telecom Est.
28	Datastar International Ltd.
29	Information Technology Company Limited
30	Fleet Tracking Technologies Co.
31	ExpTec Establishment for Technology and Programming Solutions
32	Saudi Net Link Company Ltd.
33	Advanced Electronics Company Ltd.(AEC)

License Type: Bulk SMS	(122 Licenses)
1	Mediacall Company Ltd.
2	Jibal Advertising for Information Technology
3	Saudi Trading & Resources Co. Ltd.
4	Sky Telecommunications Ltd.
5	Mobile Innovative Solutions Company
6	Baraheen International Company
7	Tjari Trading Company Ltd.
8	International Specialized Services Company Ltd. (BAB)
9	Unique Business Group Arabia (UBG)
10	Technology Development Est.
11	Premier House for Marketing
12	Advanced Electronics Company Ltd.(AEC)
13	Bacil Holding Co.
14	Smart Call Company
15	AlMotahaddeth Est.
16	True for Trading & Marketing Ltd.
17	Mawarid Electronics Company Ltd.
18	Etesal Communication Co.
19	Rawabi United Telecommunication Ltd.
20	E - Learning & Training Co.

Appendix (D): Licenses Issued

D-2: List of Licensees

21	First Gulf Contracting Company Ltd.
22	Arabian Advanced Systems Company
23	Al-jazirah corporation for press, printing, and publishing
24	Saudi Bells Telecommunications Company
25	International Itsalat Company (i2 Mobile)
26	Mashail Alkhaleej Electronics Establishment
27	Alwataniya Advertising Company
28	SAB Communications
29	Four Systems Company for Trade
30	Peacock Advertising and Promotion Company
31	Albasma Alraqamiya Company for Trade
32	ARA Promotion and Advertising Media Ltd.
33	Msmooa Mrai Mghrooa Esablishment
34	Dar Al-Ikhtera Aldaulia Est. for Trading
35	Al-Safhah Al-Thahabiah Trading Establishment
36	Ghrra Telecom Company
37	Perfect Presentation Company
38	Business Sequence Company
39	Harf Information Technology Company (HARF)
40	Elaph Publishing House Limited (ELAF)
41	Advanced Telecommunications Company (ATC)
42	First for Information Technology Services

43	MOBILINK Company
44	Ataas Trading Company
45	Bait Alelam Media Production Establishment
46	Mubasher International Company (affiliate of NTG)
47	Enjazz Development Services Company
48	Media Station Promotion Agency
49	Eshamel Digital Technology Company
50	Tajseed Technologies Company Limited
51	Nal Investment Corporation Ltd.
52	iColPlus Company Ltd.
53	Eker Communications and IT Ltd.
54	Electronic Concepts Company Ltd.
55	Innovative Solutions
56	Messaging & Data for Trad Est.
57	Transworld Publicity Co. Ltd.
58	Forat National Company for Trade
59	Voice & Data Telecommunication Company
60	Alarabi Establishment for Communication Devices
61	Lead Marketing and Communication LLC
62	Saudi Research and Publishing Company (SRPC)
63	Emerging Technology
64	Sela Trading Company

Appendices

Appendix (D): Licenses Issued

D-2: List of Licensees

65	NESMA National Co. for Advanced Technology Ltd.
66	Yadem for Telecommunication Est.
67	Smart Massage Telecom Technical Est.
68	Farhan Commercial Company Ltd. (Thuraya Services)
69	SMJ Est.
70	Digital Zadcom for Computer Services (Zad Group)
71	ERTIQA Information Est.
72	Commerce Investment Technology Company
73	Bowwabat Almajd co.
74	Communications Cadres Trading Establishment
75	Sara Telecom
76	Ezz Elkhir Est. - Development and Support
77	Holool Company Limited
78	Khalid Bawarith Est.
79	Typical Network Est.
80	Hash Est.
81	Arabian Internet and Communications Services Company (Awalnet)
82	Value for Communication
83	Masian Establishment for Marketing
84	Gulfnet KSA (Zajil)
85	Data Technology Est.
86	One Card

87	Nour Communications Company (NourNet)
88	9th Generation for Information Technology
89	Hisham Abdulrahman Alhowaish Est.
90	Saad Al.nogither Est.
91	EMBRO of Commerce Est.
92	Advertising Services Company
93	Zahret Al-Nabe Est.
94	Prime Vision
95	Interkey Company for Communication and Computer
96	Asaig United for Communications
97	Saudi Sara-GoodNews4Me Ltd.
98	Council of Saudi Chambers of Commerce & Industry (CSCCI)
99	Aseer Est. for Press & Publishing
100	Integrated Opinion Est.
101	Technology Touches Establishment for Trade
102	Al-Elm Information Security
103	iTelgent Company
104	Saudi Business Machines Ltd. (SBM)
105	Zafa Trading Company Limited
106	Al-Mozoon Telecom Company (AMT)
107	Okaz Establishment for Journalism and Publishing
108	Communications Development Est.

Appendix (D): Licenses Issued

D-2: List of Licensees

109	Xpress Company
110	Tawasul Communications Limited
111	Hussein Omar Balubaid Trading Establishment
112	RAMOOZ
113	Mohamed Fitaihi Est.
114	Rke Technology
115	Al-Bilad Arabia Company Limited (ABA)
116	Arabic Computer Systems Limited
117	Art Vision Est.
118	Rekas Company for Trade
119	Code Technical Services Corp.
120	Saudi Axiom Telecom Company
121	Electronic Horizons Establishment for Telecommunications
122	Arabs Call Company Limited

License Type: Audio Text Services (700)   **(24 Licenses)**

1	Unique Business Group Arabia (UBG)
2	Voice & Data Telecommunication Company
3	Alwataniya Advertising Company
4	Baraheen International Company
5	RMZ Commercial Co.

6	Nour Communications Company (NourNet)
7	Arabs Call Company Limited
8	iColPlus Company Ltd.
9	Advanced Telecommunications Company (ATC)
10	International Barq Ltd.
11	MOBILINK Company
12	Mubasher International Company (affiliate of NTG)
13	SAB Communications
14	Interkey Company for Communication and Computer
15	Mediacall Company Ltd.
16	Shaza Elchark Trading Establishment
17	Systems of Strategic Business Solutions (SSBS) (Al-Othman Group)
18	Mobile Innovative Solutions Company
19	Saudi Trading & Resources Co. Ltd.
20	Sky Telecommunications Ltd.
21	Smart Call Company
22	Xpress Company
23	Mawarid Electronics Company Ltd.
24	Electronic Concepts Company Ltd.

⊕ Appendices

Appendix (D): Licenses Issued

D-2: List of Licensees

License Type: Call Center Services   (11 Licenses)

1	Al-Khaleej for Training and Education Limited
2	Sara Telecom
3	Emerging Technology
4	Zajoul for Advanced Communication Technology
5	Abdulrahman A. Almoussa Est.
6	RMZ Commercial Co.
7	Interkey Company for Communication and Computer
8	Arabs Call Company Limited
9	EMBRO of Commerce Est.
10	First Internet Company
11	Marker Services Co. Ltd.

License Type: Electronic Wallet Services   (5 Licenses)

1	Zafa Trading Company Limited
2	Interkey Company for Communication and Computer
3	One Card
4	Perfect Presentation Company
5	Harf Information Technology Company (HARF)

License Type: Prepaid Card Recharging Services   (4 Licenses)

1	Electro Tasdeed
2	Interkey Company for Communication and Computer
3	One Card
4	Intelligent Marketing Company

License Type: Network Operation Center (NOC)   (4 Licenses)

1	Detecon Al Saudia Co. Ltd. (DETASAD)
2	International Electronic Telecom Company (Inteltec Saudi Arabia)
3	Integrated Networks LLC
4	First Internet Company

License Type: Internet Services Provider (ISP)   (64 Licenses)

1	Bayanat Al-Oula for Network Services (Bayant Consortium)
2	NESMA National Co. for Advanced Technology Ltd.
3	Arabian Electronic Network
4	Saudi Telecom Company (Saudi Net)
5	Gulfnet KSA (Zajil)
6	Showtime

Appendix (D): Licenses Issued

D-2: List of Licensees

7	Voice & Data Telecommunication Company
8	Perfect Presentation Company
9	Rabita Electronics and Trading Establishment
10	AL-Rajhi Saudi Group
11	Integrated Telecommunications Company (ITC) Ltd.
12	Saudi Research and Publishing Company (SRPC)
13	Tariq Abdulkhaliq Alkhlal Est.
14	Etihad Etisalat Company (Mobily)
15	E - Learning & Training Co.
16	National Advanced Systems Co. Ltd. (NASCOM)
17	City Net Establishment
18	Gulf Computer Services Company (SPSNET)
19	Juraisy Internet Services Limited
20	Nasser S Al Harbi Trading Establishment (Al Harbi Telecom)
21	Detecon Al Saudia Co. Ltd. (DETASAD)
22	Al-jazirah corporation for press, printing, and publishing
23	Gate Net
24	Eker Communications and IT Ltd.
25	Saudi Business Machines Ltd. (SBM)
26	Arabian Internet & Communications Services Co. (Awalnet)
27	Arab Programs Establishment (Arasoft)
28	National Company for Information Systems

29	Nour Communications Company (NourNet)
30	Middle East Internet Co. Ltd. (Cyberia)
31	International Computer Company (ICC)
32	Saudi Internet Company
33	Shaheer Technics Inc.
34	Samir Photographic Supplies Ltd
35	Sahara Network
36	Dar Al-Mustawrad Establishment for Trade (IT)
37	EMBRO of Commerce Est.
38	Bait Alshargiaat
39	Madar National Information Technology Limited Company
40	Mohamed Munassar Alesayi Group & Ali Hussein Alsawadi Group and Co. (DreamNet)
41	House of Integrated Technologies & Systems
42	Smart Call Company
43	Advanced Operations Technology Est.
44	Zafa Trading Company Limited
45	Saudi Net Link Company Ltd.
46	Tahseeb Est. Maintenance & Cont. Industrial Services & Supply
47	Green Network Company Ltd.
48	International Gulf Gaihab Establishment
49	First Internet Company
50	Channels Center for Electronic Devices

⊕ Appendices

Appendix (D): Licenses Issued

D-2: List of Licensees

51	Digital Solutions Provider
52	Integrated Networks LLC
53	Mubasher International Company (affiliate of NTG)
54	Interkey Company for Communication and Computer
55	Arab Circle Company for Internet Services
56	Electronia Company
57	MeduNet
58	WIDEBAND
59	Zajoul for Advanced Communication Technology
60	LINKdotNET Saudi Arabia Ltd.
61	Mohammed Ali Al-Esayi Est. for Trading
62	ICC Elictronic Service
63	Applied Technologies Company
64	Seven Eyes Co.

License Type: Interactive Voice Message Broadcasting   **(1 License)**

1	Hend Salem Bin Laswad Est.

License Type: Telecom   **(1 License)**

1	Electronia Company

Appendix (E): Spectrum Activities

- Assigned 5368 frequencies, with some assignments recorded at the ITU for protection from the harmful interferences
- Cancelled 4474 frequency assignments
- Handled 29-frequency requests from visiting foreign officials and foreign ships to Saudi ports
- Coordinated with ITU to record information of international ships
- 290 interference reports were investigated and addressed
- 324 instruments were calibrated and 27 spectrum devices were repaired
- 274 wireless equipments were tested for Saudi standards compliance
- Issued/renewed 1575 licenses for radio equipment in ships and fishing boats
- 200 technical tests were carried out for wireless equipments on ships to ensure compliance with applicable maritime specifications
- 1800 wireless equipments were tested
- Issued/renewed 550 radio equipment licenses
- Issued/renewed 278 radio amateur licenses and 274 amateur radio base station licenses
- Issued/renewed 186 radio stations for aeronautical navigation aid.
- Process 22 requests for spectrum coordination between KSA and GCC countries
- Located 189 sources of unauthorized radio equipment and took the necessary action
- Updated the Frequencies database for spectrum monitoring
- Development of software programs to enable CITC's Branch Offices to issue maritime licenses
- Revision of the software for the calculation of spectrum usage fee, and
- Developed a plan for backup of the National Frequency Registry database and is being used to update data on a daily basis.

Appendix (F): CITC Financial Accounts

	31 Dec 2006 (Audited) SR (000)	31 Dec 2007 (not Audited) SR (000)
Revenues		
Spectrum Usage Fee	202,364	229,500
Commercial Service Provisioning Fee	4,231,633	4,607,102
License Fee	355,010	349,556
Other Revenue	14,485	23,703
Total Revenues	4,803,492	5,209,861
Expenditures		
Employees Cost	88,630	109,232
Administrative and General Expenditure	27,786	27,685
Consultancy	49,656	24,431
IT Systems and Software	21,048	17,429
Capital Expenditure	112,833	72,557
Total Expenditures	299,953	251,334
Net Revenues	4,503,539	4,958,527

Appendices

Appendix (G): Excerpts from the Code of Conduct for the CITC Employees

Respect the rights of all stakeholders who interact with the 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 the CITC.

Do not directly or indirectly exploit your position at CITC for personal advantage or profit, or for the benefit of a relative or a friend.

Refrain from any activity that can lead to conflict of interest, real or perceived, between your own personal interests on the one hand, and professional responsibilities on the other. In the case where such conflict exists or may exist, or if you are subjected to conflicting external pressures, or if in doubt of the proper course of action, refer the issue, in confidence, directly and in writing to the immediate supervisor.

Refrain from any action that might lead to preferential treatment of persons or entities involved with the CITC, or might negatively impact CITC's reputation.

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 the CITC and which is not publicly available, for personal gains 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 the CITC's. To be involved in any other business activity, which is not of a similar nature to that of the CITC, a prior approval must be obtained from the Governor.

هيئة الاتصالات وتقنية المعلومات
Communications and Information Technology Commission