

## **Frequency Usage Fees in the Kingdom of Saudi Arabia**

### **Article (1):**

The Communications and Information Technology Commission (CITC) shall calculate the fees for the usage of frequencies in the Kingdom in accordance with the following steps:

1. Identifying the usable frequency bands in view of the available radio technology to provide telecommunications services.
2. Computing the maximum number of possible assignments (units) in every band based on: the minimum usable bandwidth in each band, nature of service, characteristics of antennas used the possibility of frequency reuse; to reach the number of units that should be taken as an estimated basis for fee calculation.
3. Evaluating the average annual expenditures of the RF Spectrum Management Sector, including: cost of spectrum management system, employees' costs and annual contribution of KSA to the international telecommunication organizations budgets.
4. The average annual expenditures set out in (3) above are divided by the total number of units, as set out in (2) above, to determine the cost of a single unit annually (U).  $U = 0.1$  for all frequency bands.
5. Fee for frequency usage in different bands is determined annually by multiplying the value of unit described in (4) above by the value of transactions specified in the table (attached). The value of these transactions depends on the following:
  - Location of the frequency band to be licensed in the spectrum.
  - Bandwidth required.
  - Distance of communication or coverage area.
  - Whether the frequency will be used in a single location or more, for one use or more, and at the level of city, region or the Kingdom.
  - New technologies for the best use of spectrum.

**Article (2):**

**First:**

The Commission shall calculate the fees for the usage of frequencies in accordance with the following formula:

Frequency usage fees =  $0.1 \times B \times H \times M \times P \times W \times L \times G$  Saudi Riyals

**Where:**

- B = the bandwidth factor;
- H = the antenna height factor;
- M = the mobile or non-directional antenna factor;
- P = the power factor;
- W = spectrum demand density factor;
- L = the high-usage-cities factor;
- G = geographical coverage factor.

**Second:**

The value of these transactions is determined according to the following:

1. Finding the value of the factor (B) by dividing the bandwidth to be assigned by the "minimum usable bandwidth," as shown in the table (attached) for different frequency bands. However, for satellites terrestrial stations, the minimum usable bandwidth is (9) MHz i.e. quarter transponder; while for the Public Mobile Systems it is 200 kHz (an RF channel).
2. Finding the value of (H) by dividing the height of the antenna above the ground by "the minimum height of the antenna" as shown in the table. It equals whole one (1) in the cases of very low frequency (VLF), low frequency (LF), medium frequency (MF) and high frequency (HF), as the dimensions of the antenna are too large. The antenna height is not considered in these cases.
3. The factor (M) is a multiplying coefficient used when using a non-directional antenna in a specific site to contact a group of fixed, portable or mobile devices within a circle whose radius does not exceed 1.5 km. In cases of frequency assignments at the level of a city, region or the whole Kingdom, the value of this factor (M) shall equal a whole one (1), as it shall be included in the geographical coverage the factor (G).

4. The factor (P) is a multiplying coefficient depending on the power of the transmitters, as shown in the table (attached). For satellite service, the value of this factor equals 15 units, as satellite service coverage is considered in terms of the Kingdom as a whole and as there is a relationship between the factor (P) and the factor (G) with respect to coverage.
5. Factor (W) (spectrum demand density factor) is a multiplying coefficient, which takes into account the relative congestion of different frequency bands.
6. The factor (L) (The high-usage-cities factor) is a multiplying coefficient used for spectrum frequency allocations in the high-frequency-usage cities of: Riyadh, Jeddah, Makkah, Yanbu, Jubail, Dhahran, Dammam and Khobar. The value of this factor for frequency allocations in other cities or at the level of the region or the Kingdom equals whole one (1).
7. The factor (G) is a multiplying coefficient used for frequency allocations at a city-, region-, or kingdom-wide level. For other uses, the factor value equals a whole one (1).
8. Transactions H, M, W and L are taken equal to unity for the frequency allocations of broadcasting terrestrial services.
9. The Fees of the Spread Spectrum systems will be the half of the annual fees calculated through the formula in the Article (2) , subject to the rules and principles established by CITC for this usage.
10. Frequencies above 3 GHz shall not be assigned on a city-, region-, or kingdom-wide basis because of their highly directional characteristics. Certain frequency allocations in bands above (30) GHz of High Density Fixed Service and High Density Fixed Satellite Service are exceptions.

**Article (3):**

These fee calculation rules shall not apply to air and maritime communications services , amateur radio services and Search and Rescue Equipment for Individuals .

1. The fees for frequency usage for these services are calculated as follows:

**First: Aeronautical Service:**

- 1- Fixed aeronautical radio-navigation ground station for monitoring traffic at airports: SR1000 per station per year.

- 2- Mobile aeronautical radio-navigation ground station for emergency and rescue purposes at airports: SR300 per station per year.
- 3- Sailing aircraft navigation ground station: SR150 per station per year
- 4- Air navigational aids, radar and meteorology station: SR150 per station per year.

**Second: Maritime Service:**

- 1-Fixed and mobile radio-communications equipment on board ships: SR200 per device per year.
- 2- Port operations coastal stations: SR300 per station per year.
- 3- Coastal stations for commercial communications: SR1000 per station per year
- 4- Coastal stations for yachts, pleasure craft and fishing boats: SR500 per station per year
- 5- Station for maritime navigational aids and radars: SR200 per station per year.

No fees are charged for search and rescue communication equipment on board designated ships or boats, which operate on frequencies allocated for this purpose.

**Third: Amateur Service:**

This service includes amateur radio ground service and amateur satellite radio-communication service. SR150 fee is charged for the use of frequencies of each amateur radio station per year.

**Forth: Search and Rescue Equipment for Individuals:** SR 50 for frequency usage per equipment per year.

**Article (4):**

No fees are charged in the following cases:

1. Low power radio equipment in accordance with the approved specifications in the Kingdom,
2. Receive-only equipment, e.g., satellite receivers, TV receivers, Radio Astronomy and passive remote sensing equipment,

3. Terminal or handheld TX/RX equipment belonging to a radio-communication network using frequencies which have already been charged,
4. GPS Receivers,
5. CB radio equipment in accordance with the approved specifications in the Kingdom.

**Article (5):**

The CITC Governor shall review the frequency usage fees determination principles and criteria periodically (every three years) to ensure compatibility with ICT sector and frequency usage developments, proposing any modification required thereto to the CITC Board of Directors for approval.

**Article (6):**

This policy shall be published in the Official Gazette and shall come into force after ninety (90) days from the date of publication.

**Table for Determining the Administrative Spectrum Prices for Various Assignments**

Elements for Determining the Factors of the Equation	FREQUENCY BANDS							
	VLF, LF & MF 9 kHz – 3 MHz	HF 3 – 30 MHz	VHF 30 – 300 MHz	UHF 300 – 3000 MHz		SHF 3 – 30 GHz		EHF 30 – 1000 GHz
				300 – 960 MHz	960 – 3000 MHz	3 – 10 GHz	10 – 30 GHz	
Bandwidth Factor (B)	3 kHz	3 kHz	12.5 kHz	25 kHz	1 MHz	7 MHz	7 MHz	7 MHz
Antenna Height Factor (H)	N/A	N/A	10 meters	10 meters	10 meters	10 meters	10 meters	10 meters
Mobile or Non-directional Antenna Factor (M)	N/A	3	4	4	4	10	10	30
Power Factor (P)	a) 500 for power ≤ 1 KW. b) 1000 for 1 KW < Power ≤ 2 KW. c) 1500 for Power > 2 KW	a) 200 for power ≤ 500 W. b) 500 for 500 W < Power ≤ 1 KW. c) 1000 for Power > 1KW	a) 50 for power ≤ 100 W. b) 100 for Power > 100 W.	a) 10 for power ≤ 50 W. b) 50 for Power > 50 W.	a) 10 for power ≤ 25 W. b) 50 for Power > 25 W.	a) 15 for power ≤ 10 W. b) 50 for Power > 10 W.	a) 15 for power ≤ 10 W. b) 50 for Power > 10 W.	a) 20 for power ≤ 5 W. b) 50 for Power > 5 W.
Spectrum Demand Density Factor (W)	5	50	100	100	200	200	100	20
High Usage Cities Factor (L)	N/A	N/A	3	3	3	3	3	3
Coverage Factor (G)	Complete City	N/A	N/A	50	50	50	50	50
	Region	N/A	20	200	200	200	200	200
	Kingdom-Wide	N/A	100	1000	1000	1000	1000	1000