

KEYNOTE ADDRESS

By

**H.E. Mohamed Jamil A. Mulla
Governor , Saudi Communications Commission**

Global Symposium for Regulators

**Geneva
3-5 December,2001**

H.E. Mr. Utsumi, Secretary General, ITU,
Mr. Toure, Director, Telecommunication Development Bureau,
Mr. Jones, Director, Radio communication Bureau,
Mr. Zhao, Director, Telecommunication Standardization Bureau, Fellow
Regulators from around the world,
Distinguished delegates, Ladies and Gentlemen,

Good morning and friendly greetings from Saudi Arabia.

It is my privilege and honor to address this important gathering. We are thankful to ITU for organizing this global symposium for telecommunication regulators and providing us an opportunity to exchange views and benefit from each other's experiences. I am particularly thankful to Secretary General, ITU and Director of the Development Bureau for giving me the honor and opportunity to share my views.

We are quite aware that there is an information revolution sweeping the world. This revolution manifests itself most clearly in two main areas : Convergence among telecommunications, computing and broadcasting to form the information highway, and Globalization of telecommunications. These two salient features of the information revolution have far reaching effects on the economic and social structure of almost all nations and impose serious challenges to these nations and, in particular, the developing nations. Two options are available: meet the challenges to survive and prosper, or ignore them and wither in isolation.

A new telecommunications environment has materialized around the world, where the key words are liberalization, privatization, competition and market forces. In this scenario, the Kingdom of Saudi Arabia decided to liberalize its telecommunication sector and allow fair competition in order to provide adequate and advanced telecommunication services and equipment of best quality throughout the country and at affordable cost for all sectors of the national economy and society.

The Kingdom of Saudi Arabia took the first steps towards the liberalization of the telecommunication sector as early as 1998 by converting the government telecommunication service provider into a corporate body, named Saudi Telecommunications Company (STC). Services like wire line telephony, cellular mobile telephony and satellite-based services are provided by STC in most parts of the Kingdom. At present, STC has telephone exchange capacity of about 4.5 million lines,

with 3.2 million working lines and about 2.5 million cellular subscribers. Internet Services, which have grown rapidly in recent years in the kingdom, are provided by several service providers. Expansion is planned in the next two years for the addition of approximately a million fixed lines and three and a half million cellular subscribers.

It has become more and more evident that to develop the telecommunication facilities and services in Saudi Arabia to meet the national policy objectives of the government and projected demand, investment of large sums of money is required. In addition, many more participants need to be allowed to enter the market. In other words, orderly evolution of competition is deemed necessary. It is realized that to achieve this, clear policies must be formulated and developed and a solid legal and regulatory environment created to allow implementation of these policies in an orderly and effective manner. Thus, the Telecommunications Act as well as the Ordinance establishing the Saudi Regulatory Authority, named the “Saudi Communications Commission” (SCC), were promulgated and published in the Official Gazette in June of this year. The Commission is still at an early stage but work is in progress to develop it into an effective operating organization.

The basic role of the SCC is to implement the strategic policy of the government for the telecommunication sector with the objective to create a favorable environment for the provision of advanced, adequate, reliable and affordable telecommunication services throughout the Kingdom, by promoting and encouraging fair competition.

In accordance with the Ordinance, the Commission has a legal standing and is administratively and financially independent. The actions of SCC have to be fair, firm, equitable, transparent and impartial in the eyes of all parties. It has to maintain a fine balance between the interests of the three major players in the field, these being the Government, the public consumer (end user) and the service providers.

The basic functions of SCC are to regulate the telecommunication sector and implement the approved policies, plans and programs for its orderly development, and also to encourage investment in the sector. SCC will issue and enforce By-laws for the regulation of the telecommunication sector. The Commission will also issue relevant licenses to operators and ensure adherence to the license conditions.

SCC, in coordination with the concerned parties in Saudi Arabia, will review the National Frequency Plan. Management of scarce resources

such as the Radio Frequency Spectrum, Orbital Positions, and Numbers is an important aspect of the functions and activities of the Commission. A proposal to adopt economic measures in Spectrum Management through spectrum pricing instead of the conventional equipment licensing, is being considered. SCC will also establish the basis for a fair price/tariff for various telecommunication services and encourage the introduction of new services. It will establish interconnection regulations and charges and settle disputes between operators and address service related customer complaints and disputes. The Commission will stimulate research and development, and encourage innovations in the sector and be an agent of technology transfer in the field.

The Commission is addressing the following on a priority basis:

- Assessment and Analysis of the Telecommunications Market in Saudi Arabia in order to determine the market structure, sequence and timing for the orderly evolution of competition.
- Development of the By-laws of the Telecommunications Act.
- Establishment of the Rules and Procedures of the SCC.
- Development of the Licensing Framework and preparation of the License Documents for various types of Service Providers including, STC, the incumbent operator.

ITU has played a pivotal role in the development of telecommunications globally through its various initiatives and important activities of Radio communication Sector, Telecommunications Development and Standardization Sectors. I am confident that ITU would continue its active role and valued support for varied and important activities related to the development of national telecommunication regulatory authorities.

In conclusion, I wish to state that SCC would like to benefit from the experiences and practices of other telecommunication regulatory authorities and continue the dialogue through correspondence, visits and deliberations in fora such as these.

Thank you for your kind attention.