

**COMPREHENSIVE PERFORMANCE AND  
ACCOUNTABILITY REPORT – 2011  
COMMUNICATIONS REGULATORY COMMISSION OF  
MONGOLIA**

Communications Regulatory Commission of Mongolia (CRC) has implemented objectives, activities and actions under general scope of works and services which belong to 26 types, 5 product categories, 4 strategic objectives reflected in Business Plan – 2011, which was approved by Chairman and CEO of CRC, Performance Contract that is signed with General person in charge of budget, and the Operation plan to supply products in 2011 and the result was provided to the general person in charge of budget.

**One. In line with planned actions and tasks:**

**1.1. In order to develop resolutions and other relevant procedures and regulations of the Parliament, Government and CRC.**

- During the statement period, 12 regular and 2 irregular sessions of CRC meeting was held in accordance with guidance and direction given by CRC meeting and management. These meetings issued 66 resolutions and 7 memorandums on discussed matters, the implementation of which are being monitored. List and research of resolutions of CRC is shown in *Appendix 1*.
- Operation and product supplement contract to be signed by Chairman and CEO of CRC (General Manager) and Prime Minister of Mongolia (General person in charge of budget) in 2011 and financial budget draft of CRC were developed and submitted to the Cabinet Secretariat of the Government of Mongolia through formal letter 01/23 of the year 2011. Those drafts were approved and went to implementation by Batbold S., Prime Minister of Mongolia.
- Under the scope of work to create welcome environment of ICT sector regulation, to update license classification and fees, to approve tariif, to ensure safety of radio wave planning, inter-connection, internet, content regulation and information network, more than 20 license terms, requirements and regulatory procedures were developed including “*General terms and requirements for TV and radio regulation*”, “*General terms and requirements for digital content service*”, “*Terms and requirements for license of internet service*”, “*Classification of license for inter-connection*”, “*Terms and*

*requirements of license for postal service”, “Update service fee of regulatory service for license holders”, “Approval of top limit of postal service tariff” (Mongol Post SOE), “Review and approval of income distribution principle of inter-connection communication” (MIX), “Terms and requirements of content aggregator”, “Terms and requirements for multi-channel transmission of TV and radio through satellite”, “Procedure to issue certificate for radio amateurs in territory of Mongolia”, “Procedure to issue regional code, general postal code and to create database” etc. and resolved by CRC Meeting for implementation.*

- During the report period, Chairman and CEO’s Council Meeting of CRC was held 12 times and it’s discussed more than 50 issues in total, with the relevant memo and decisions followed.
- Chairman and CEO’s Express Meeting of CRC was held 39 times in total, record made and implementation of duties and tasks given by management is determined and reported.
- Cooperated with working group of State Communication Department of the General Intelligence Authority on draft of “Law on Cyber Safety” and provided the proposal on the law draft regard with the regulation of the sector.
- Proposal was developed to include information technology based postal service to the postal Public Duty Service in the Law of Mongolia on Post and it’s submitted to the Government through relevant organization.
- “Post to each household” program with the purpose of improving delivery of postal service was developed under cooperation with IPTA and was approved by the Government of Mongolia in 2011, with the investments stated. With implementation of this program, the opportunity will be provided to increase frequency of postal delivery in rural areas and increase the delivery coverage in urban areas.
- In order to implement Decree No. 60 of Prime Minister of Mongolia of the year 2010 and Resolution No. 325 of the Government of Mongolia of the year 2010, “Classification of licenses for communication related operations” were updated and the draft was discussed with the license holders who provided their proposals and it’s approved by the resolution No. 13 of CRC in March, 2011. Implementation of this classification has been started with stages on operation of license holders and service operators.
- Submitted proposals and recommendations on research and feasibility study development of projects and programs, such as “E-Passport”, “Access of Citizen’s Smart ID Card in social welfare services”, “Access of Citizen’s Smart ID Card in Elections and development of required technology solutions”, “Comprehensive research of government organizations for database, classification and encoding” etc., which were named projects and actions with the highest importance under the national program to establish general registration system in Mongolia, and development of “Citizen’s Smart ID Card”, “General procedure to record e-documentation” to the Central Administrative Organization of the State.
- Prepared and submitted a report on implementation of “Direction on TV and radio regulation”, which was approved by the Resolution No. 276 of the Government in year of 2010, to the Cabinet Secretariat of the Government.
- Developed proposal to make amendment to the Law on State Service Fee regards with issues such as service fee etc. and submitted to the Cabinet Secretariat of the Government and the Ministry of Finance together with relevant explanations and presentations. The law with the amendment is being implemented.

- Approved and implemented “General terms and requirements for TV & Radio broadcasting regulation” with the Resolution No. 7 of CRC of the year 2011 and “General terms and requirements for digital content service regulation” with the Resolution No. 8 of CRC of the year 2011 as compliant with the National Security Concept of Mongolia. Established a working group “to develop Project to establish Computer Incident Response Team (CIRT) and a plan to implement it” under incorporation with General Intelligence Agency.
- CRC held a theoretic and practical conference “Information Security and Information Technology” on 28<sup>th</sup> April, 2011, as cooperating with the Standing Committee on Security and Foreign Policy at the State Great Hural, Mongolia.
- Created a database of selected information about laws, policy regulatory and other laws and regulations relevant to the State Great Hural and Information and Communication Technology sector, which are published on State Info Magazine of the Secretariat of State Great Hural. Put the data on the Information Board of the Commission to advertise the information.
- In order to support implementation of amendments made to the Law on communications, held 2 meetings to telecommunication service providers to provide information about lawful interception, under association with the General Intelligence Agency.
- Provided proposals and conclusions to review legal background of 211 resolution drafts of the Chairman and CEO of CRC, to develop 34 draft agreements made with individuals and business entities and to develop more than 20 relevant regulations and procedures.
- “Communications regulation – 2011”, the Forum which is held among government organizations and license holders by CRC, in Darkhan City in September, 2011 among the Central region. It covered individuals who hold licenses and service providers, more than 180 visitors and representatives from Ulaanbaatar and local communities. The Forum was organized with sub-meetings for internet, TV and post, which all assessed the achievements and problems before issuing the recommendations required to support information and communication technology, radio and TV business and to implement efficient regulation by all the agreed participants.

During the report period, or in 2011, received application materials from more than 280 individuals, companies and organizations for license of information and communication technology and postal service, registration certificate and numbering and assessed required equipment and technology study, frequency resource, network planning schedule, economic capacity and results for service operation under scope of the Law of Mongolia on communications, Law of Mongolia on radio wave, Law on postal service, other relevant laws, regulations and procedures and checked on site, provided professional methodological advices before relevant resolutions to issue, extend, make amendment to or terminate the licenses and registration certificates were made, including:

- Issued 162 new permissions for operation and service of information and communication technology and the relevant contracts were signed. /Class A-Permission: Internet -18, network infrastructure installation, repair and

maintenance -46, CaTV-15, *Class B - Permission*: TV broadcasting-23, Radio broadcasting -16, CaTV-40, Mobile content aggregator -1/. On top of that, total 17 registration certificates are extended.

- 63 licenses and 108 registration certificates were resolved in accordance with relevant procedures and regulations and the contracts and certificates were extended.
  - 40 licenses were amended in total with relevant changes and the relevant contracts were updated and signed.
  - Applications for permission of special numbering for information and reference were assessed and 20 new numbers were issued. 10 permissions for the numbers were extended and certificated. All of them were signed contracts.
  - Proposal of suspension and revocation of 12 licenses and 1 registration certificate, which had been issued by the Commission, were presented to the CRC meeting and it's resolved so by the resolution of the Commission.
  - Starting from February, 2011, 1 new mobile content aggregator license and 13 web sites in total were registered to the database in accordance with the amendment made to the law on business license.
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- Results of Inspection made on implementation of terms and requirements of the licenses of and the contracts made with internet service providers were compiled and “Results of Inspection of terms and requirements of licenses of the internet service providers” was preseted to CRC meeting. Plan of further actions was also developed and presented to the CRC meeting and license holders of internet services. Recommendations and orders were given to 38 internet service providers in total.
  - Proposal to make amendment to the Aricle 30 of the Law on State stamp fee, which was approved in 2010, was developed and submitted to the Ministry of Finance, who also incorporated to develop the amendment proposal and submitted to the State Great Hural (Parliament). The Parliament approved the amendment in May, 2011. Based on Government Resolution 325 of the year 2010 to deduct some kinds of licenses and recent approaches of new business, market development and regulations, classification of licenses were updated and re-developed with the following structure, which was approved by the Resolution 13 of the Commission, which were issued by the 3<sup>rd</sup> Meeting of the year 2011. It's been delivered to the service providers and being implemented. According to the procedure, the licenses of services are classified as follows: 1) Class A: Communication network and infrastructure (6 types), 2) Class B: Communication service (6 sub-classes and 18 types), and 3) Class C: Content service (5 sub-classes and 6 types).
  - Updated terms and requirements of the licenses approved by CRC meeting were delivered to all radio, TV and multi-channel transmission service providers and the relevant information required by the terms and requirements were collected and the update of license contract is being implemented. Contract drafts were updated and developed according to the newly approved terms and requirements and the progress of updating license contracts for radio, TV and multi-channel transmission service providers as of the end of 2011: 13 out of 17 license holders in UB (76%), 30 out of 96 local

license holders (31%); Radio: 6 out of 22 license holders in UB (27%) and 15 out of 80 local license holders (19%) were updated the respective contracts.

- “General terms and requirements for Digital content service regulation” was approved by the Resolution No. 8 of the CRC Meeting No. 2 of the year 2011 and has been in force since 1<sup>st</sup> March, 2011. Under this terms and requirements’ implementation, technical specifications and contracts were developed for word filter software project for the operation of “Web site service providers”.
- “Terms and requirements for internet service license” was updated and developed before being approved by the Resolution No. 12 of the Commission’s 3<sup>rd</sup> Meeting of the year 2011 for implementation.
- “Classification of licenses for communication operation” was updated and developed while received proposals from the license holders’ discussion for the draft before it’s approved by the Resolution No. 13 of the Commission’s Meeting No. 3 of the year 2011 and delivered to the service providers.
- According to the direction given by the Ministry of Justice and Domestic Affairs, Intellectual Property Office of Mongolia, Agency for Fair Competition and Consumer Rights and Council to manage actions to prevent from offences of the General Police Department, inspection is being held in Ulaanbaatar and local areas under association with 5 government organizations. This inspection covered 16 TV broadcasters and 13 multi-channel TV transmitters in UB and also the service providers in Provinces of Dornod, Sukhbaatar, Khentii, Dundgobi, Umnugobi and Districts of Baganuur, Nalaikh and Bagakhangai.
- Terms and requirements for licenses of TV, Radio broadcasting, Cable channel and CaTV services were developed and proposals received from the relevant engineers and technicians. It’s discussed at and approved by the 4<sup>th</sup> Meeting of the Commission and now being implemented.
- Inspection was held in Provinces of Darkhan-Uul, Orkhon, Selenge, Bulgan and Khuvsgul in association with 5 governmental organizations including Intellectual Property Office of Mongolia, Agency for Fair Competition and Consumer Rights, General Police Department and Council to manage actions to prevent from offences of the Ministry of Justice and Domestic Affairs.
- Contractor organization had executed monitoring on implementation of terms and requirements of the licenses on 26 radio broadcasting service providers in Ulaanbaatar between 15<sup>th</sup> August and 11<sup>th</sup> September of 2011 and compiled a report on the monitoring results. Based on the 2011 report of the monitoring, delivered formal requirement to submit reports and notices of implementation of the terms and requirements in every quarter to more than 20 TVs in total.
- Proposals for standards to be developed in information and communication technology sector were received from relevant entities and personnel as well as Technical Committee members. Resolution No. 96 of the Chairman and CEO of CRC was approved to develop 16 standards in total (2 standards to be amended, 12 to be newly developed and 2 to be translated) and contractor was selected through the procedure process and received the contract. 21 National standard drafts were discussed 5 times at the Technical Committee of Information and Communication Technology Sector and approved by the National Committee meeting of the Mongolian National Center for Standardization and Metrology, with investment of CRC.

- Following standards required for establishment of General Registration structure were developed with the investment of CRC in 2011 and discussed at the Technical Committee of Information and Communication Technology before approved by the Meeting of the Mongolian National Center for Standardization and Metrology, including: General addressing. Requirements for address writing – MNS 6275:2011 and Requirements for web sites of Government Organizations – MNS 6285:2011, following standards for network security and information safety including Information technology – Vocabulary – Security MNS ISO/IEC 2382-8:2011, Guidance to implement cryptography – MNS 6197:2011, Information technology network security – 1<sup>st</sup> Part: Guidance of Network security – MNS 6242-1:2011 and Information technology network security - 2<sup>nd</sup> Part: Network security of architecture – MNS 6242-2:2011.

1.2. Updated and developed “Terms and requirements for license of postal service” and received proposals from the license holders who discussed it before it’s approved by the Resolution No. 14 of the Commission’s Meeting No. 3 of the year 2011 for implementation. In connection with updated terms and requirements of licenses, manual guidances for new applicant citizens and business entities were completely developed.

- Applications for radio frequency license from more than 190 organizations and individuals were reviewed and proposals and conclusions were drawn under the scope of the Law of Mongolia on “Radio wave”, Law on communications, relevant laws, regulations and procedures, which had been discussed and resolved by 8 meetings of CRC, including:
  - Conclusion was prepared to issue radio wave license to 64 individuals, companies and organizations in total and the licenses were issued after it’s discussed at CRC meeting. Of which, 2 licenses were issued through competitory bid, which is in accordance with relevant laws and regulations.
  - Reviewed applications of 26 individuals and organizations whose radio wave licenses were expired and extended the licenses after drawing relevant conclusion.
  - Reviewed application materials of 10 individuals and organizations made for amendment of license contract and those amendments were made.
  - 1 license in total, which has been expired or had violation against radio wave payment or failed to implement relevant law or regulation, was terminated.
- During the report period, relevant conclusions were drawn on application materials for new certificate of radio wave from more than 120 individuals and organizations and 76 new certificates were issued by resolution of Chairman and CEO of CRC. 71 radio wave use certificates were reviewed with relevant procedures and regulations before being resolved to be extended or amended. 1 frequency use certificate was terminated due to no extension during the valid period, no request submitted despite the reminder through formal letter, or payment violation.

- Conducted surveys and developed proposals to review radio frequency band usage and planning, possibility of radio wave interaction and implementation of new technologies based on requests of more than 60 applicants in total.
- Amendment to the Distribution Table of National Radio Wave (Plan) was discussed at the CRC Meeting and was approved by the Resolution No. 44 of the year 2011. That resolution reflected and updated the amendments of distribution approved by Resolutions No. 13 and No.18 of the year 2009, No. 23 of the year 2010 and No. 10, 24, 26, 38, 39 and 43 of the year 2011.
- Developed a proposal of change to the estimation of frequency bands to be used for WiMax network, a wireless connection service, in order to support local communication service providers and updated the “Radio wave usage and service payment approval methodology” before its approval by the Resolution No. 9 of the year 2011 of CRC.
  - In order to plan radio frequency band for wireless camera equipment, developed a proposal “to approve distribution and technical requirements for 1.5GHz and 2GHz frequency band in Mongolia” and it’s approved with Resolution No. 10 of CRC of the year 2011.
- Under the scope of work “to get approval on long-term plan of radio frequency spectrum”, developed an amendment to “National radio frequency distribution table” (Plan), “Distribution of frequency band for land network digital radio and TV broadcasting”, “Distribution and technical requirements of 400-430MHz Ultra High Frequency” etc., which were discussed at and approved by the Commission’s meeting No. 7 of the year 2011.
- CRC Meeting approved “Documentation of regulations for wireless connection at 2400-2483MHz frequency band in Mongolia” and “Technical requirements to be followed to implement new generation technology of wireless connection at 2500-2700MHz frequency band in Mongolia” for implementation.
- Reviewed background of service tariffs of total 123 legal entities, including 38 for cable channel service, 15 for internet service, 23 for short wave radio broadcasting, 19 for TV broadcasting, 21 for CaTV service, 2 for transmission service, 3 for international postal service and 2 for postal service during the report period and respective conclusions drawn.
- “General terms and requirements for digital content service regulation” approved by the Resolution No. 8 of CRC Meeting No. 2 of the year 2011 has determined the principle to distribute income among the mobile communication service provider, aggregator and content service providers and regulated the price.
- Developed the updated fee of regulatory service in accordance with the amendment made to the license classification of communication service providers and approved it by the Resolution 15 of CRC of the year 2011, in order to implement the Resolution 325 of the Government of Mongolia of the year 2010.
- Developed a research on CaTV and multi channel TV service providers in Ulaanbaatar and local areas based on statistic database of the sector and presented the research results to the management.
- Determined the minimum investment amount of the applicant for communication service license to be confirmed per service category each and presented to the Commission meeting for discussion.

- Developed a conclusion on the lease tariff of Information and Communication Network SOE on city-to-city digital channels according to the proposals submitted by the service providers and discussed and resolved it on the Commission Meeting for implementation.
- Organized a discussion among the international calling service providers about the actions to be taken on interconnection payment of international call starting from mobile network, which was a critical issue for those service providers, and the results were presented to the Commission's meeting. It's presented to the Commission again after some relevant development and calculations made on it. The amount of interconnection payment of international outgoing call started from mobile communication networks approved by the resolution No. 21 of the Commission's meeting dated on 14<sup>th</sup> April, 2011.
- Studied an issue of monthly fixed payment of business landline user of Telecom Mongolia LLC and resolved it with the Resolution No. 22 of the Commission's meeting of the year 2011.
- Working group to research current status of city-to-city network of the Information and Communication Network LLC and its lease tariff of telephone calling channel was formed by Resolution No. 77 of the Chairman and CEO of CRC, according to a direction given by the CRC Meeting.
- CRC Meeting dated on 14<sup>th</sup> April, 2011 developed a proposal to transfer income distribution principle of telecommunication service providers of Mongolia for domestic interconnections to symmetric principle and it's approved by the Resolution No. 23 of the Commission of the year 2011. As a result of this regulation, all the disputes over payments raised among the telecommunication service providers were completely resolved and a possibility is established to make the interconnection payments easy, understandable and fast to be paid. It also eliminated unfair competition circumstances caused by unequal distribution of interconnection networks. Interconnection contracts so far has been updated with relevant amendments.
- Studied proposals to approve legal background to issue economic responsibility and penalty to those who violated the general requirements of TV and radio broadcasting regulation and presented it to the CRC Meeting of date 26<sup>th</sup> April, 2011, that issued the Resolution No. 27 of the Commission. Each penalty to be issued for those who violated the general requirements of TV and radio broadcasting regulation was approved for every violation and reflected into the license contracts with the regulatory department.
- Delivered the expense estimation to IPTA for operation to be held in local area in order to review performance, quality estimation and network stability of projects and actions being implemented by the investment of Public Duty Service Fund, which were proposed to the projects and actions plan to be implemented by the Fund in 2011.
- Created a database of selected information about laws, policy regulatory and other laws and regulations relevant to the State Great Hural and Information and Communication Technology sector, which are published on State Info Magazine of the Secretariat of State Great Hural. Put the data on the Information Board of the Commission to advertise the information.
- In order to support implementation of amendments made to the Law on communications, organized a working group and held 2 meetings to develop a procedure to cooperate with the General Intelligence Agency.



- Working group to prepare CRC Annualbook – 2010 was established by Resolution No. 46 of the year 2011 and English version of this book was published 1000 copies for office use in June, 2011.
  - Drafts of “International action plan of CRC 2011” and “Training attendance plan of 2011 with support of the World Bank” were developed and presented 3 times to the express meeting of the Chairman and CEO’s Council before approved by the Chairman and CEO of CRC. Under the international action plan which had 35 actions, 68 managers and officers (duplicated number) were attended at 49 conferences, meetings and seminars in total in countries such as Malaysia, South Korea, Thailand, Switzerland, Colombia, Australia, Mauritania, Japan, PRC, Vietnam, Turkey, Philippines, Israel, Germany, Singapore and Indonesia etc.
- 41 materials with 126Mb size were uploaded to the organization’s web site during the report period in order to implement CRC resolutions and decisions, advertise the organization’s operations and to inform new regulations and procedures as well as technical news, discussions, meeting results, announcements and other information. 5 online discussions and 5 voting pages were also uploaded. There are 15 new information uploaded to the organization’s web page.
- 10000pcs of “CRC News” Magazine, which was purposed to present CRC operations, regulations in the sector, reports and news, new technologies and service providers to public, was distributed together with greetings from management and introduction of the organization at the Exhibition of “Information and Communication Technology Expo – 2011” (ICT-90 EXPO), which was established under the 90<sup>th</sup> Anniversary of Information and Communication Technology sector. During the Expo, the management of the sector presented detailed information about the Expo and State Conference of Information and Communication Technology sector to public through UBS TV, MNB TV, SBN TV, NTV, Mongol TV, ETV, Live TV, TV-9 and TV-5 televisions.
- Actions are being take to advertise and inform the CRC regulatory actions to public through public media. Within 2011, CRC top management and relevant specialists of the topic had been broadcasted in more than 20 TV programs, interviewed and published on more than 30 newspapers. The information were also placed on the organization’s web site and other web sites. Information published on newspapers and web pages regards with the sector and the organization as well as regulatory actions were presented to the organization’s management and related specialists.

## COMMUNICATIONS REGULATORY COMMISSION