

**BRIEF PERFORMANCE AND
ACCOUNTABILITY REPORT – 2012
COMMUNICATIONS REGULATORY
COMMISSION MONGOLIA**

Communications Regulatory Commission of Mongolia (CRC) is an independent organization that implements planning of information and communication technology, TV and radio broadcasting, postal communication and radio frequency as well as content regulation, under the regulation of the Law of Mongolia on Communications and other relevant laws and regulations. The Commission has implemented the major activities mentioned below in 2012.

- Regular Commission meeting has been organized 12 times, according to the CRC meeting and directions from the management. The meetings issued 77 resolutions and 8 memos in total, all of which have been monitored for implementation.
- (Special) number 1111 was issued to the Cabinet Secretariat of the Government with the Resolution No. 188 of CRC Chairman and CEO, dated on 28th September, 2012 as a relevant support to the Government for Changes to establish “11 11 Center”.
- A cooperation memorandum was signed between CRC and the Agency for Fair Competition and Consumer Rights on 16th October, 2012, after the 2 organizations agreed to cooperate in order to implement laws and regulations, such as the Law of Mongolia on Competition, Law of Mongolia on Communications, Law of Mongolia on Consumer Right Protection and Law of Mongolia on Advertisement etc., to establish an equal competition environment among the license holders on the communication market, to regulate the price efficiently and to protect the customer rights. Under this activity, CRC and AFCCR initiated and cooperated with mobile phone service operators and as results, the parties agreed to transfer the cell phone service tariff to second-based ratio and to free the customers from deposit duty over a few stages, starting from 1st March, 2013.
- Applications from more than 50 individuals, companies and organizations for licenses of information and communication technology or postal service, postal service permission, registration certificate or the numbering were received and assessments made on equipment required for the service, technology study, frequency resource, network planning schedule, economic capacity and results as on-site inspection, professional consulting service and the relevant decisions were made to issue, extend, amend or terminate the licenses and registration certificates, under the Law of Mongolia on Communications, Law of Mongolia on Radio wave and Law on Post, as well as other relevant laws and regulations. Of which: 17 new licenses were issued in ICT service sector and the contracts signed, 14 new registration certificates issued, 8 licenses were amended as well as the relevant contracts. Applications for numbers for information and reference purpose were assessed and 7 new numbers were issued and 8 licenses for numbers were extended with the relevant contracts signed. 38 license holders (15 TVs and 23 FM radios) were terminated because they have not operated for 1 year. 77 license

holders and 4 certificate holders have been terminated too due to their failure of relevant contract duties. These termination issues were presented to CRC meeting and resolved by the resolution of the Commission.

- Applications for radio frequency use license from more than 30 individuals and organizations were received and reviewed according to relevant laws, regulations, procedures and rules, of which result was presented to and resolved by CRC meeting. It includes: proposals to issue radio wave license to more than 20 individuals, companies and organizations were presented to CRC meeting, which finally issued 12 new licenses. Applications to extend radio wave license were received from 5 individuals and organizations whose licenses were expired and the applications were reviewed and extended. 3 applications received for amendment of license agreement from individuals and organizations and the relevant amendments were made to the agreements. Actions taken to terminate 1 TV and 3 FM licenses who failed to fulfill relevant laws and regulations or expired the license terms or had violation of radio wave payments. During the report period, assessments made on more than 100 applications from individuals and organizations for new radio wave certificates and 50 new certificates were issued by the resolution of Chairman and CEO of CRC. Actions taken to make amendments to 50 radio wave certificates (extensions for 40, amendments for 10) after reviewed and assessed them according to relevant procedures and regulations. More than 10 radio wave certificates have been terminated due to no extension made during the term, no request made despite formal notice was issued or the payment issues.
- Developed and delivered CRC proposals (on formal letter) regards with the regulation of ICT sector to the relevant draft regulation developed by the Ministry of Foreign Affairs, Ministry of Economic Development and Foreign Investment Agency in order to implement the Law of Mongolia on regulation of foreign investment in entities who operate in strategic sectors of the national security.
- Published “ICT sector standardizations – 2012”, a book with more than 400 pages covering 42 national standards which are being commonly used in the sector regards with utilization and operation service, and distributed it to the license holders and service provider individuals and organizations free of charge, together with professional and methodological advices.
- CRC revealed following offences after inspecting organizations and individuals who had operated without license or certificates through fixed or mobile radio wave inspection and took actions to eliminate those offences. 30 State inspector conclusions and 12 formal requirements were delivered and operations of more than 10 organizations were terminated to eliminate offences and violations found.
- Developed 5 contract drafts to be reflected on Governmental agreement to be signed with Russian Federation under task to cooperate with governmental committees, relevant ministries and authorities regards with frequency regulation on boundary areas. Contract terms were delivered to the meeting of Committee between the Governments for discussion.
- A working group to test re-distribution of digital TV was established by joint resolution No. 74/83 of ITPTA and CRC in the year of 2012 under implementation of “National Program to Transfer Radio and TV broadcasting into Digital Technology” which was approved by the Resolution No. 275 of the Government of Mongolia in 2010. The working group performed 13 kinds of digital broadcasting transmitter tests in rural area.

In order to improve the test operation, a working group was appointed and worked on site in November, 2012.

- Based on the “Procedure to determine monopoly and legal monopoly business entity”, which was approved by the Resolution No. 298 of the Government in 2010, a research was made and resulted an assessment according to the methods to determine monopoly and legal monopoly business entities in ICT sector services. The assessment was delivered to the Agency for Fair Competition and Consumer Rights.
- Organized a regional training and seminar with title of “Communication regulations and development trends” among the license holders of Provinces of Gobi-Sumber, Dornogobi, Dornod, Sukhbaatar and Khentee as the second time in the eastern region, in Choibalsan, Dornod Province on 18-19 October, 2012. The seminar had about 80 representatives including CRC management and staffs, Governor’s Administration of Dornod Province, Intellectual Property Agency and 38 license holders from Provinces of Gobi-Sumber, Dornogobi, Dornod, Sukhbaatar and Khentii. The seminar had presented some presentations including 7 objectives of the Change strategy, developed by ITPTA, basic parameters of the sector, regulation trends, current economics, radio frequency, broadcasting and postal regulation status bandwidth network, e-service, digital radio and TV transition by CRC, and copyright issues by the Intellectual Property Agency.
- Research was made on service tariff of postal service providers and approved the minimum tariff of air-cargo delivery service on directions of Mongolia – South Korea and USA – Mongolia, which was approved by Resolution No. 50 of the Commission of the year 2012.
- Inspected the implementation of the agreements of license holders in Eastern region, followed by directions and instructions. Inspection team, who was also responsible to provide professional advices, to inspect operations of license holders in Gobi-Sumber Province and Sainshand and Zamyn-Uud Soums of Dornogobi Province was appointed on 24-29 September 2012 and provided professional advices to 17 license holders. Organized trainings on implementation of Mongolian National Standards MNS 5882:2008 on “Requirements for job positions in ICT service sector”, MNS 5881:2008 on “Requirements for employees in ICT service sector” and a practice training regards with “Technical standards and technological procedures” of radio & TV on the Choibalsan branch of Information and Communication Network SOE, in association with engineers from Mongolian National Broadcaster TV.
- Report and conclusion of CRC monitoring and inspection done on advertisement of the Parliament election broadcasted on TV and radios were presented to the CRC Meeting No. 11 of the year 2012 and all the offences made by certain entities and organizations against the Provision 35.11 of the Law of Mongolia on Election were reviewed and penalized with amount equal to 15-20 multiply of the minimum wage rate according to the relevant laws and regulations. Formal requirements to eliminate the offences were delivered, too.
- In order to take actions to discount internet tariff for household use in rural area for 3 times, (to make it a third), “Tariff to lease city-to-city channel for household internet to the internet service providers together with internet flow” of the “Information and Communication Network” SOE was updated by CRC meeting and started implementing the tariff from 10th December, 2012.

- Organized and set up working groups to inspect implementation of laws and regulations as well as technical terms and requirements in TV channel operations in association with IPTA, Intellectual Property Agency and MNB etc. Organized a working group to inspect radio communication facilities of hotel service provider organizations too. The relevant inspections and monitoring were performed.

COMMUNICATIONS REGULATORY COMMISSION

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