

ANNUAL REPORT

2014

6th Annual Report



འབྲུག་བར་དོན་བརྒྱུད་འབྲེལ་དང་བར་བརྒྱུད་དབང་འཛིན།

BHUTAN INFOCOMM AND MEDIA AUTHORITY

"Towards ensuring free and fair use of Information, Communications and Media."

འབྲུག་བརྗོད་བརྒྱུད་འབྲེལ་དང་བརྗོད་དབང་འཛིན།
ལོ་བསྟར་སྟེན་ལྗོངས།

༢༠༡༤



Bhutan InfoComm and Media Authority

ANNUAL REPORT 2014

FOREWORD

“The year saw a significant achievement in the regulatory mandates of the Authority in the field of ICT, Media and Entertainment Sectors in the Kingdom.”



It gives me a great satisfaction in presenting the Annual Report of the Bhutan InfoComm and Media Authority (Authority) for the calendar Year 2014. The

Report is in its sixth year since the establishment of the Authority in 2006 as an independent regulatory body for ICT, Media and Entertainment Sectors in the country. This Report is prepared to fulfil the statutory reporting and to share information to the community and enhance policy making in the ICT and Media Sectors.

Despite a number of challenges, the year in review shows our determination to grow and regulate effectively. The year saw a significant achievement in the regulatory mandates of the Authority in the field of ICT, Media and Entertainment sectors in the Kingdom.

In order to realize its goal to emerge as a competent and credible regulator, the Authority pursued its effort to gain full independence and start the construction of a separate office building, and also created a new division to handle policy, research, strategic plans, programmes and projects. The Authority also reviewed and published numerous rules, guidelines and codes of practices.

The report also carries the financial performance of the Authority for the financial year 2014-2015.

Led by examples of well established regulatory authorities worldwide, the

Authority conducted studies on the telecommunication tower radiations; use and sale of counterfeit mobile phones; cable TV surveys, and implemented monitoring exercises in the places of entertainment, among others.

The Authority also identified way forward to ensure level playing field for the ICT, Media and Entertainment Sectors in the country. To achieve 100% mobile connectivity, the Authority has come up with the Rural Communications Project phase IV.

Considering the human capacity of the Authority, which is fairly young and its complex mandates, the Authority submitted a concrete proposal to the International Telecommunications Union to assist the Authority in training programmes.

Guided by its strategic roadmap, the Authority looks forward to continue delivering its responsibilities and fulfilling its mandates effectively.

Therefore, we would warmly welcome feedbacks and suggestions to further improving the Report in its next edition.

Tashi Delek!

A handwritten signature in blue ink, appearing to read 'S. Delek'.

(Sonam Phuntsho)
Director

MISSION

To provide free and fair use of Information, Communications and Media for all Bhutanese citizens towards enhancing the achievement of Gross National Happiness.

VISION

To create conducive regulatory environment to promote a competitive and vibrant information, communications and media sector.

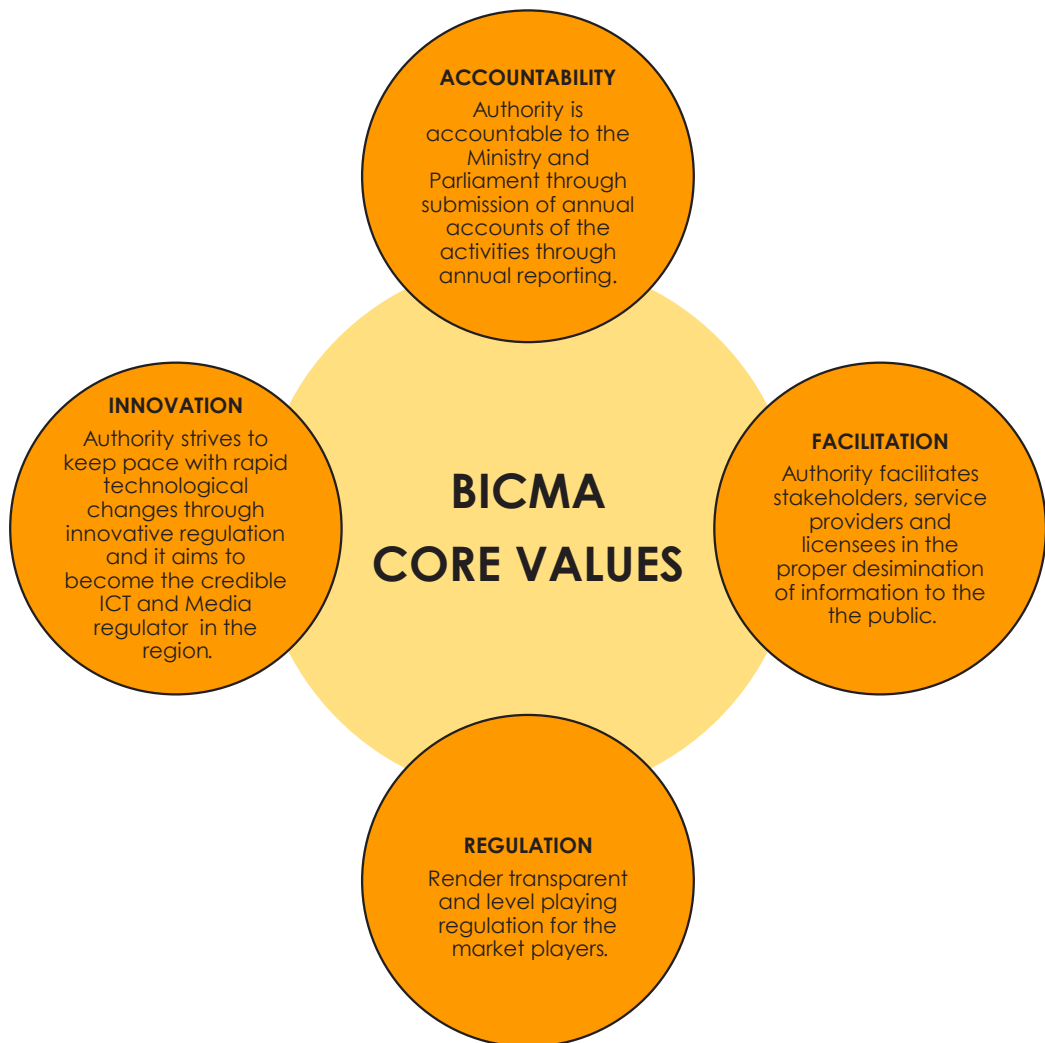


TABLE OF CONTENTS

FOREWORD	iii
MISSION	iv
VISION	iv
CHAPTER ONE	
BHUTAN INFOCOMM AND MEDIA AUTHORITY	1
Introduction	1
Structure and functions of the Authority.....	1
Members of the Authority.....	2
Organogram.....	2
Staff strength.....	3
Licences issued by the Authority.....	3
Guiding regulatory instruments.....	4
CHAPTER TWO	
BICMA INSIGHTS: RESEARCH WORKS UNDERTAKEN	5
Bhutan Information, Communications and Media Act 2006: Is it proposed for amendment or repeal?	5
A study on the use and sale of counterfeit mobile phones in Bhutan.....	11
Rural communication programme.....	15
Radiation from the cellular tower.....	18
Cable television system	20
Independence of the Authority.....	21
CHAPTER THREE	
STATISTICS ON ICT, MEDIA AND ENTERTAINMENT SECTORS	24
Licences and permits issued during the year.....	24
CHAPTER FOUR	
REVIEW OF PROJECTS AND PROGRAMMES	27
Upgradation of online licensing system	27
Capacity development proposal.....	27
Monitoring of places of entertainment.....	27
Validation of technical standards of places of entertainment.....	28

4 th Rural communications programme.....	28
Code of practice on registration of subscriber identity module (SIM) card	28
Radiation from cellular tower.....	28
Follow-up activities on new division of the Authority.....	29
Cable TV survey.....	29
Enhancement of cable television services.....	29
Regulatory enforcements	30
15 th South Asian Telecommunications Regulators’ Council (SATRC) meeting	30
Consultation meeting on consultant report.....	30
Meeting on cable TV issues.....	30
Study of frequencies for the capacity development of GLOF and rainstorm flood	31
Rules governing places and programmes of entertainment	31

CHAPTER FIVE

REVENUE AND EXPENDITURE: FINANCIAL PERFORMANCE	32
Revenue accounts of the Authority.....	32
Revenue balance (Fiscal Year 2013-2014).....	33
Sources of revenue.....	33
Revenue trend	33

CHAPTER SIX

WAY FORWARD PROGRAMMES.....	34
Proposal to study the licensing of e-services	34
Study on the socio economic impacts of mobile phones in Bhutan	34
Rural communications programme.....	35
Future telecommunications regulatory reforms in Bhutan	35
Monitor, inspect and collect data from book stalls	35

ANNEXURE

Annexure I: Printing licences issued	36
Annexure II: Publishing licences issued.....	36
Annexure III: ICT and media sectors.....	36
Annexure IV: List of books registered.....	37
Annexure V: List of international films reviewed.....	38
Annexure VI: List of national film reviewed	39
Annexure VII: RGR, MDF & USF statement of collections, deposits & payments for the FY 2013-2014.....	40
Annexure VIII: Budget and expenditure statement for FY 2013-2014	41

CHAPTER ONE

BHUTAN INFOCOMM AND MEDIA AUTHORITY

“The Authority continues to pursue its highest regulatory roles over Information and Communications Technology, Media and Entertainment Sectors in the Kingdom through adoption of best practices and international standards.”

INTRODUCTION

The Bhutan InfoComm and Media Authority (Authority) is a converged Regulatory body established under the Bhutan Information, Communications and Media Act 2006. The Authority is responsible for regulating Information and Communications

Technology (ICT), Media and Entertainment Sectors in the Kingdom of Bhutan.

It is a quasi-judicial body mandated to promote healthy competition in the ICT, Media and Entertainment Sectors, and to make these services accessible and affordable to the Bhutanese people.

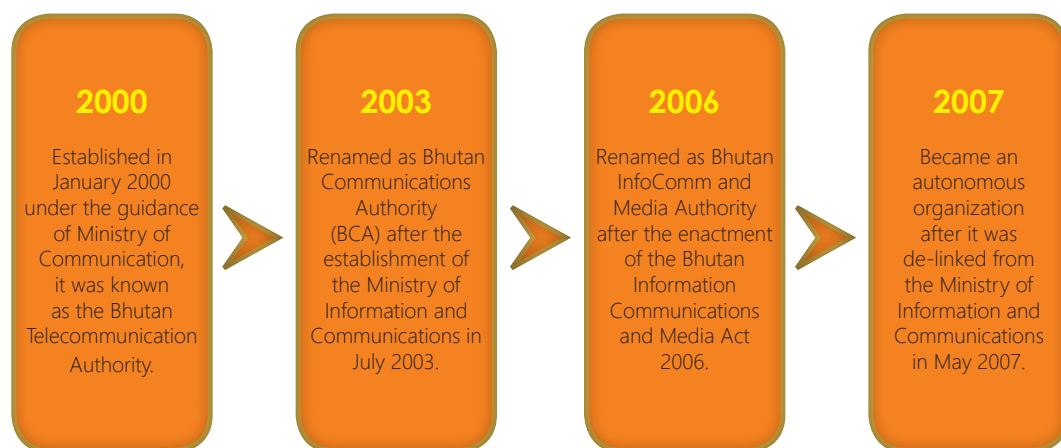


Fig 1.1: Timeline of the Authority

STRUCTURE AND FUNCTIONS OF THE AUTHORITY

The Authority comprises of six Authority members, including the Director of the Authority, who fills in as the role of the Member Secretary. The members of the Authority are responsible for advising the Authority and approving the rules prepared by the Secretariat in consultation with

relevant stakeholders. The Secretariat, which is headed by the Director, consists of 34 regular staff divided into different divisions. The Director is the Chief Executive Officer responsible for day to day functioning of the Authority as well as enforcing the provisions of the Act.

MEMBERS OF THE AUTHORITY

The Members of the Authority are appointed as required by the Bhutan Information Communications and Media Act, 2006: "The Authority shall comprise not less than five and not more than seven members, one of whom shall be the Director. The members shall be appointed by the Minister on the

advice of the Royal Civil Service Commission." The role of Authority members is to approve rules and other strategic decisions mandated by the Act.

The present members of the Authority are as shown in *Table 1.1* below.

Table 1.1: The Authority Board Members

Name	Organization	Designation	Remarks
Mr. Kuenga Tshering	National Statistics Bureau	Director General	Chairperson
Ms. Doma Tshering	Multilateral Department, MoFA	Director	Member
Mr. Phuntsho Wangdi	Bhutan Standards Bureau	Director General	Member
Mr. Sonam Wangchuk	Gross National Happiness Commission	Secretary	Member
Ms. Singye Wangmo	Information and Communications Services, MoAF	Program Director	Member
Mr. Sonam Phuntsho	Bhutan InfoComm and Media Authority	Director	Member Secretary

ORGANOGRAM

The Authority comprises of three main regulatory divisions; viz., radio communications, telecommunications and media and entertainment. To assist

core programme divisions, the Authority has also legal affairs unit, finance and administration, human resource, research and policy divisions.

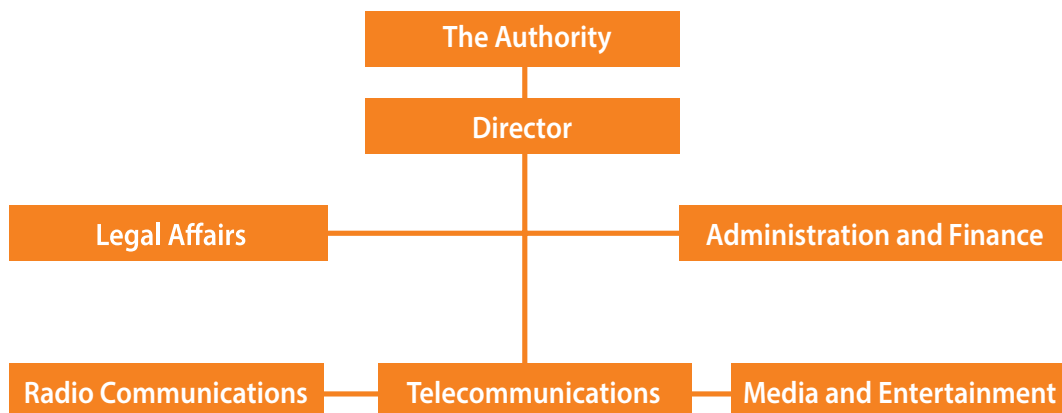


Fig 1.2: Organizational structure of the Authority

STAFF STRENGTH

The staff strength of the Authority as of December 2014 stood at 34, out of which 16 were female and 18 men. Mrs. Tshewang

Choden, Assistant Research Officer and Mrs. Ambika Gurung, Senior Communications Supervisor are on study leave.

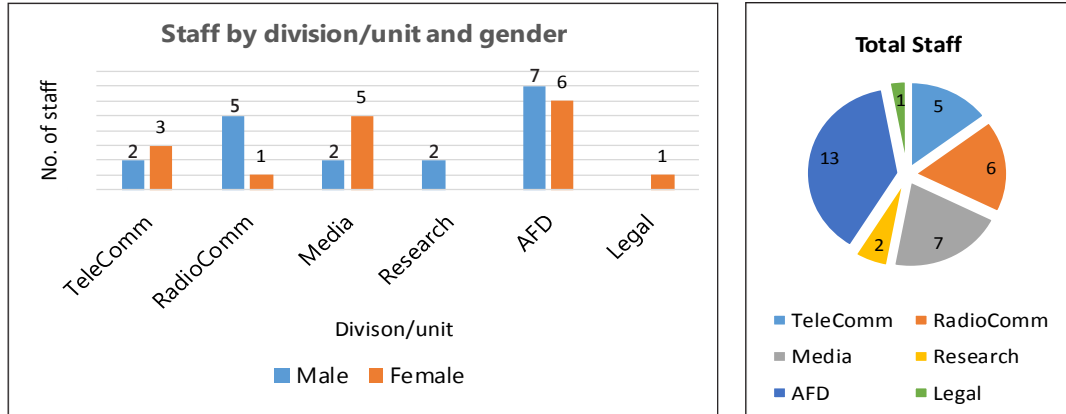


Fig 1.3: Staffs at the Authority

LICENCES ISSUED BY THE AUTHORITY

The Authority issues licences related to entertainment, media, radio-communication, telecommunication and ICT. Table 1.2 below shows licences and

permits issued by the Authority for different sectors. The Authority entertains time extension permits to operate the places of entertainment during special occasions.

Table 1.2: Licences under regulatory purview of the Authority

TYPE OF LICENCES AND PERMITS			
Entertainment Licenses	Media Licenses	Radicommunication Licences	Telecommunication and ICT Licences
<ul style="list-style-type: none"> » Discotheque Licence » Drayang Licence » Snooker Licence » Bowling Alleys Licence » Karaoke & Live Music Licence » Go Kart Licence » Reality Show permits (one time permit) » Concert (One time permit) » Performing Troupes » Time Extension permits for entertainment places during special occasions 	<ul style="list-style-type: none"> » Publishing Licence » Printing Licence » FM station Licence » Local Filming Permit » Local Journalist Accreditation » Local Film Review (Certificate) » International Film Review » International Film Permit » Ad-hoc Journalist Accreditation » Book Registration 	<ul style="list-style-type: none"> » Apparatus Licence » Spectrum Licence » Radio Amateur » Radio-communication equipment manufacture/ supply/possession/ testing/research/ demonstration/export PERMIT » Class Licence » Radio Amateur Provider Permit » Cable TV Licence 	<ul style="list-style-type: none"> » Facility Based Licence » Service Based Licence » Dealership Certificates » ICT Equipment Type Approval » Technical Clearance » VSAT Permit

GUIDING REGULATORY INSTRUMENTS

In order to ensure a level playing regulation in the field of ICT and Media sectors in the country, the Authority is guided by the act,

rules, regulation and codes of practices which are as given in table 1.3.

Table 1.3: The Regulatory Instruments of the Authority

Regulatory instruments of the Authority currently in place	
1. Bhutan Information, communications and Media Act, 2006	14. Codes of practice on Registration of SIM (Subscriber identity module) cards
2. Regulation governing Accreditation of Journalist	15. ICT equipment dealer regulation
3. Bhutan Filming Regulation	16. Rules Governing the Establishment and Administration of the USF
4. Rules governing printing presses, Books and Newspapers	17. Application guidelines on obtaining ICT facilities based and service based licence
5. Code of Ethics for Journalist	18. Code of Practice for Short Messaging Service Cell Broadcast Service
6. Rules Governing Examination and Certification of Films	19. National Radio Rules
7. Rules on Content	20. Rules for the Operation of Commercial Cable Television
8. Rules for National Film Review Board	21. Rules on Infrastructure Sharing: Electricity Poles by the Commercial Cable Television Operators
9. Filming Guidelines and Code of Practice	22. Frequency Band Plan for the use of worldwide inter-operability for Microwave Access Technology in Bhutan
10. Rules on the provision of ICT facilities and ICT services	23. Frequency Band Plan for 850 MHz Deployment in Bhutan
11. Rules governing the establishment and administration of the media fund	24. Rules governing Places and Programmes of entertainment
12. Regulation on Places of Entertainment	25. Telecommunication Tariff(First Amendment) Order
13. Tariff Order	26. Guidelines on issuance of ICT dealership Certificate

CHAPTER TWO

BICMA INSIGHTS: RESEARCH WORKS UNDERTAKEN

“To promote a culture of innovation, provide better public education and make evidence based decisions in the ICT, Media and Entertainment sectors, the Authority conducted a number of research works in the year.”

BHUTAN INFORMATION, COMMUNICATIONS AND MEDIA ACT 2006 IS IT PROPOSED FOR AMENDMENT OR REPEAL?

Context

The 85th Session of the National Assembly of Bhutan enacted the Bhutan Information, Communications and Media Act 2006 (Act) and came into force on July 5, 2006. The Act created a converged regulatory framework to make policies and regulate ICT and Media facilities and the related services. The framework was lauded in the Asia-Pacific regions and internationally as a progressive, one that meets the converging trends of content and technology.

Five years after its enactment, the Act was proposed for amendment with the main aim of developing the sector by strengthening the capacity of the policy making and regulatory institutions to be efficient and effective. The amendment process began in 2011 and still continues although the draft Bill (Bill) was submitted twice to the Cabinet.

Amendment

The process of amending the Act began with about six sections listed in the *Table 2.1* titled “Proposed amendments on the Bhutan Information, Communications & Media Act 2006”. The provisions proposed for changes are:

1. Power of the Minister to remove difficulties
2. Establishment of the Regulatory Authority, appointment of Director and Members
3. List of examiners for cinematographic films
4. Deposit of film copies
5. Licensing of places of entertainment
6. Electronic transfer of funds

The *Table 2.1* lists and illustrates the issues and suggested changes including the justifications. Around the same time, the Department of Information and Media (DoIM), Ministry of Information and Communications (Ministry) published its Media Development Assessment Report, 2010. The Report, among other things, advocated the introduction of regulations for establishing Media/Press Council as a self-regulatory mechanism; and conferring of full functional autonomy to the Authority. In consideration to these proposals and recommendations, an international followed by a local consultants were engaged to steer the amendment process.

Table 2.1: Proposed amendments on the Bhutan Information, Communications & Media Act 2006

Section	Existing provision	Comments/Rationale for amendment	Rationale for proposed changes
12	<p>Power of the Minister to remove difficulties – If any difficulty arises in giving effect to the provisions of this Act, the Minister may, by Regulation, make such provisions, not inconsistent with the provisions of this Act, as are necessary or expedient for removing the difficulty, provided that no such Regulation shall be made after the expiry of a period of three years from the commencement of this Act.</p>	<p>If any difficulty arises in giving effect to the provisions of this Act, the Minister may, by Regulation, make such provisions, not inconsistent with the provisions of this Act, as are necessary or expedient for removing the difficulty. provided that no such Regulation shall be made after the expiry of a period of three years from the commencement of this Act</p>	<p>Last part of the sentence is proposed for deletion since this power is expected to remove inconsistencies, if any, while implementing the Act.</p>
18	<p>Establishment of the Regulatory Authority and appointment of the Director and members – (2) The authority shall comprise not less than five and not more than seven members, one of whom shall be the Director. The members shall be appointed by the Minister on the advice of the Royal Civil Service Commission.</p>	<p>(2) The authority shall comprise not less than five and not more than seven members, one of whom shall be the Director. The Authority shall include a representative of the private sector to be nominated by the Bhutan Chamber of Commerce & Industries. The members, shall be appointed by the Minister from amongst the panel of names prepared by on the advice of the Royal Civil Service Commission.</p>	
106	<p>List of examiners for cinematographic films – (2) The number of examiners on the list at any given time shall not be less than seven and not more than nine.</p>	<p>(2) The number of examiners on the list at any given time shall not be less than fifteen and not more than twenty five.</p>	<p>This is not sufficient to meet the demands of the growing film industry. At least a minimum of 15 examiners and a maximum of 25 examiners are required to cater to the needs of the films that are required to be examined and certified. Review this rationale</p>

112	<p>Deposit of film copies - (1) Every person to whom a certificate has been granted under Section 107 above in respect of a film shall deposit, free of charge, a copy of the film with the Authority within sixty days of the grant of the certificate by the Authority</p>	<p>Every person to whom a certificate has been granted under Section 107 above in respect of a film shall deposit, free of charge, a copy of the film with the Authority, at the time of receiving the certificate from the Authority</p>	<p>The period of sixty days as mentioned is unduly long since it gives the local filmmakers an excuse to delay the submission of the copies of the film.</p>
122	<p>Licensing of places of entertainment– (1) No establishment which provides any form of entertainment whatsoever intended for the general public shall be established, maintained or operated without a license obtained for this purpose (hereinafter referred to as an “entertainment license”) from the Authority (2) Without prejudice to the generality of sub-section (1) the establishments covered by that sub-section would include movie halls, dance halls, discotheques, music halls, gaming parlours, public houses, bars equipped with facilities for live or recorded music, hospitality lounges, video/computer gaming arcades, circuses, magic shows, fetes, concerts, fairs, carnivals, wrestling bouts, sporting events, and bingo halls.</p>	<p>Licensing of establishments such as music halls, public houses, hospitality lounges, wrestling bouts, sporting events and bingo halls, proposed for deletion from this Act and addressed by other relevant authorities.</p>	<p>Who has proposed this? Which relevant agencies?</p>
183	<p>Electronic transfer of funds – The Minister, in consultation with appropriate Governmental agencies and representatives of business enterprises, may make Regulations for fund transfer through electronic means between the banks or between the banks and other financial institutions, including the laying down of the conditions subject to which banks and other financial institutions shall participate in such fund transfers, the manner of such fund transfers and the rights and obligations of the participants in such fund transfers.</p>	<p>The Minister, in consultation with appropriate Governmental agencies and representatives of business enterprises, may make Regulations relating to cyber security of Electronic Fund Transfer (EFT), with rest of the authority regarding EFT vested on the Royal Monetary Authority based on relevant Act.</p>	<p>RMA is setting up an Electronic Funds Transfer Clearing and Settlement (EFTCS) system for Bhutan. They recommended that RMA should be the sole authority to decide on matters relating to Payment and Settlement. Hence, suggestion to reword the section.</p>

NOTE: Ministry of Trade & Industry to be replaced by the Ministry of Economic Affairs throughout the Act. Proposed changes in third column are indicated in bold.

Consultants

Beginning the process, the international consultant engaged by the Ministry studied the Act in consultation with the officials of the Bhutan InfoComm and Media Authority (Authority) and other stakeholders, identified possible areas requiring changes, and drafted the amendment to the Act. Most of the contentious changes (in the repealed bill) did not feature in the international consultant's draft except the establishment of the Media Council, which was featured in the final draft.

In 2014, the Ministry engaged a national consultant to make major changes to the Act and decided to present it as a new Bill. This ambitious venture was however a big disappointment. The consultation process including the workshop is like the portal hammers in search of nails rather than the carpenters ready to build something creative. Every time the hammer missed the nails and when a conscientious being showed where the nail is, the portal hammer takes refuge in the divine power that "the Ministry will make the final call". Despite their unswerving reasons and intent, key stakeholders had to submit to the judgment of the world-changer who is too busy changing the world to ask if he needs to change first. The outcome of the consultants is a new draft Bill to replace the Act.

The draft Bill, therefore, merits a detailed review and discussion to ensure that the new Bill is what the ICT and media sector really need. While it is not possible to review and discuss the entire Bill, the story attempts to review some of the main changes under the following points:

Terminology

A number of important terminologies are incorporated in the Bill not considering their implications and sometimes without defining them; these include:

The terms "**Minister**" and "**Ministry**" are used almost interchangeably, which is not correct in a Bill or for that matter any legal document. As an elected official, the Minister is legally responsible and answerable for every action of his or her Ministry. Equally important is the need for the minister to conduct both officially and privately, in a manner, which inspires public trust. In a cabinet form of government, a Minister is responsible for the actions of their ministries. Therefore, with the exception of Chapter 1, it is legally pertinent that the term "Minister" should replace all other references to "Ministry" in accordance with powers and responsibilities entrusted by the ballot.

The Term "**Directive**" has potential cause to damage the usefulness of the proposed Bill. The term needs to be defined to clearly mean policy directive issued by the Minister as approved by the Cabinet.

The draft Bill has switched the terms "**Regulations**" and "**Rules**" along with respective mandates of the Ministry and the Authority. As per provision of the Act, the Ministry is mandated to among other things initiate, formulate and promulgate ICT and media policies and laws/regulations while the Authority is mandated with the making of Rules. As these terms, governance structure and mandates of the institutions are well grounded, there was no need for the consultant to make the switch and change the provisions of the Act as they are as per international norms and practices. Further, the adhoc switching of the terminologies does not serve any purpose except to cost the government more to make changes to all the existing Regulations and Rules.

The Rule of Law

The rule of law also forms a significant part of any Bill. The principles of the rule of law are not easily defined, but encompass ideas such as:

- The powers exercised by parliamentarians and officials are based on legal authority;
- There are minimum standards of justice to which the law must conform, for instance laws affecting rights and responsibilities should be reasonably certain and clear;
- The law must have safeguards against the abuse of wide discretionary powers;
- The law must not allow unfair discrimination; and
- A person should not be deprived of his or her liberty, status or other substantial interest without the opportunity of a fair hearing before an impartial court or tribunal.

Some of the new incorporations in the Bill may not conform with these principles of the rule of law as evident from the following references.

The Bill confuses the ***policymaking and regulatory functions*** of the Ministry and the Authority. The requirement for the Authority to seek the approval of the Ministry to perform its regulatory functions besides overstepping the general principles of law introduces inefficiency and red tape. Clarity of the respective functions can be maintained if the mandates to approve the regulations and policy made by the Ministry (in consultation with the stakeholders) rightfully rest with the parliament and the cabinet respectively while the mandate to approve Rules be with the Authority as per the Act and subject to the following safeguards:

1. The due process and safeguards against the abuse of discretionary powers for making policies, regulations and rules needs to be maintained as provided in the Act.

The due processes and safeguards are missing in the present Bill.

2. The proposed function of the Ministry to approve tariff and rules made by the Authority disregards the principles of the rule of law. These provisions may, therefore, be reconsidered.
3. Regards to issuance of directions to the Authority on broad policy matters, eight important sub-sections (as provided in the Act) have been removed. These need to be reinserted to ensure that the policies adopted are practical and beneficial to the sector. On the other hand, references to issuing of policy directives by the Ministry selectively in few chapters may be deleted to avoid repetition of its main functions.
4. Reference to the delegation of Ministry's function to the Authority should be removed as this can be done through other provisions such as the policy directions. This has other condescending effects in terms of establishing undesired hierarchy.
5. The requirement for the Authority to provide reports on specific matters falling "***within the jurisdiction of this Act***" to the Ministry needs to be changed to "***within the jurisdiction of the Ministry***". This will safeguard the Authority from having to submit a range of reports even when these are within the mandates of the Authority.
6. The requirement for the Authority to submit a copy of Rules made under the Act to the Minister for endorsement needs to be changed as per provision of the Act including the stipulated timeline. The intent of this requirement was not for the endorsement by the Minister but the authority granted to the Minister to

remove any provisions that are not in the interest of the national security and such others as provided in the Act.

7. Changes made in Chapter VI, ICT and Media Facilities and Services are vital to the industry. Therefore, provisions of the Act deleted or inserts made thereto need to be thoroughly consulted and consent sought from the relevant stakeholders. Similarly, in Chapter VII, a new Section on 'Installation Permits for ICT and Media facilities' has been added. This would also require consultation with the stakeholders, as this would impose additional burden upon the licensees.
8. Regards to the Radio Communication Chapter, status quo may be maintained except the removal of those provisions that are already incorporated in the Radio Rules as per the final recommendations of the international consultant. The inserted provisions requiring the Authority to seek the approval of the Ministry are proposed for deletion as this is covered adequately by the functions and mandates of the institutions.
9. As 'Broadcasting' is an insert in the Bill notwithstanding that a significant parts of its services is also covered under Chapter VI, this new Chapter needs to be reviewed by a panel constituted from the broadcasters, the regulators and the policymakers to ensure that only the relevant provisions are retained in the Act and others removed to Regulations or Rules.
10. All changes in Chapter X, 'Universal Service Fund' needs to be re-examined by a joint committee to justify the suggested changes.
11. Certain provisions under Chapter XI 'Printing press Books and Newspaper' of

the Act were removed without assigning a reason, such as total removal or to be covered in Regulations or Rules.

Structure, Functions and Powers of the Authority

Substantive changes have been made to the structure, the functions and the powers of the Authority without even understanding the cause and their implications. It is, therefore, logical to revisit the structure, the functions and the powers of the Authority as provided in the Act in comparison with the changed provision of the Bill to justify the needs for changes. Some of the important highlights of the Bill that require closer examination are the composition of the Authority; its independence; rationale to transfer the permit/licence issuing functions pertaining to the places of entertainment and film to the Ministry of Economic Affairs and Film Commission respectively.

Convergence

Insertions of new chapters, viz., "Media Council" and "Cinematographic Films, Performance of Dramas and other Entertainments" deserve detailed review and reconsiderations as they digress from the stated principle of convergence enshrined in the preamble and the objective of the Bill.

Besides the principles, the ensuing natural questions are: (1) What are the functional problems with the existing institutions with respect to promotion/development and regulation of the sector; (2) Are the establishments of the 'Media Council' and "Film Commission only solutions considering the size of the sector; (3) Will this not increase the complexity of roles and functions of the regulatory institutions; (4) Shouldn't the scarce resources of the state be more judiciously used to enhance the existing institutions rather than creating new?

Hopes

The story of making changes and subsequently the proposal to repeal the Bhutan Information, Communications and Media Act 2006 has become a mysterious adventure from problem identification, employment of consultants, conduct of consultation, and the submission of the final draft Bill to the Cabinet. The adventure regrettably has been one-sided advocacy of change solutions grounded on airdropped inconsequential institutional interest overcasting the larger interest of the sector and the development of an effective policy and regulatory framework.

Whether the Act is proposed for amendment or repeal, the aspirations and hopes of all Bhutanese do converge. All of us would like to see that this law governing the growing ICT and media sector would provide for at least the minimum standards of justice; clarity in the rights and responsibilities of policy making and regulatory institutions, industry and consumers; and safeguards against the abuse of wide discretionary powers and

unfair discrimination. This law would also strive to ensure all Bhutanese their liberty, status or other substantial interest with the opportunity of a fair hearing before an impartial court or tribunal.

In ensuring the usefulness of the law, it is also our hope that this law would strengthen the capacity of the policy and regulatory institutions, which in turn would ensure the development and effective regulation of the ICT and Media sectors in keeping with the global trends.

The proposed repeal of the Act, therefore, deserves a more thoughtful discussion. It is our hope that insight provided in this story will help in generating much needed public discourse to steer the course of amending this Act and set things right for the ICT and media sector. The Bhutan InfoComm and Media Authority albeit its various limitations has dedicated its whole hearted efforts towards the attainment of these hopes in the past and will continue to do so in the service of the sector, the country and our beloved Kings.

A STUDY ON THE USE AND SALE OF COUNTERFEIT MOBILE PHONES IN BHUTAN

Context

The evergrowing telecommunication technology brought about a stiff market competition for different mobile phones and related products. Certified mobile companies are continually challenged by the mass scale production of counterfeit phones that are manufactured purely to attract consumers, using similar or the same brand names.

Bhutan does not have a mobile manufacturing company of its own and all products are imported. The counterfeit mobiles have hit the Bhutanese markets, too. The main idea behind not recommending counterfeit

phones is because, unlike other certified phones, counterfeit products do not undergo safety standard tests, among others.

On the telecommunications front, the concerns had already been received from the general public on the possible hazards from the mobile transmission towers. On the same line, the known fact is that the uncertified and counterfeit mobile phones are also more hazardous to human health and environment.

In order to set policy recommendations on the import of fake and uncertified phones, the Authority collected data and gathered

views on the use and sale of such phones in the country.

Objectives

This study is conducted with the following objectives:

- Collect data on types of uncertified/ counterfeit mobile phones available in the country;
- Review literature and reports/studies done in other countries to stop import of counterfeit phones and recommend suitable solutions to stop import of such phones in the country;
- Develop reporting mechanism to the Authority by the trade and customs offices on the import of mobile phones they doubt to be counterfeit /uncertified;
- Generate final report upon collection of data containing key recommendations for the relevant agencies like Bhutan Standards Bureau and Trade and Customs offices towards working collaboratively with the Authority to combating import of counterfeited phones in the market.

Relevant regulations

The Consumer Protection Bill of Bhutan, 2010 under its section "Liability for Defective Product" states that where any injury is caused to the consumer's life, body or property by the defective product, the following persons shall be liable for the injury:

- (a) The producer of the product;
- (b) The person who, by putting his name on the product or using a trade mark or other distinguishing marking relation to the product, has held himself out to be the producer of the product; and
- (c) The person who has, in the course of his business, imported the product into the Kingdom of Bhutan in order to supply it to another person.

General concepts on counterfeiting and Plagiarism

Counterfeits merchandises are those containing a feature that is similar to, or not capable of being distinguished from, a brand mark filed to some other party and encroach the privileges of the owner of the brand mark (Grossman and Shapiro, 1988; Kapferer, 1995; Chaudhary and Walsh, 1996; Eisend and Schuchert-Guller, 2006).

Any illegal production of goods whose particular features are protected as intellectual ownership i.e. Trademark, Patents and Copyrights, comprises product counterfeiting (Cordell et al. 1996 and Chaudhary et al. 2005).

Counterfeiting has three types deceptive, non-deceptive and blurs counterfeiting (Grossman and Shapiro, 1988; Bian, 2006). In deceptive and blur counterfeiting consumers are either not aware or unsure of facts that he/she is purchasing counterfeits. While in non-deceptive counterfeiting, consumers knowingly purchase counterfeits (Grossman and Shapiro, 1988).

Mobile Phones Counterfeiting

Unlike the hundreds of safety checks genuine mobile phone products must pass before hitting the shelves, counterfeit phones are not tested for compliance with industry safety standards and a new report into the black market devices has revealed they can contain high levels of lead and other substances, which pose risk to the environment and human health.

"Counterfeit phones are made with cheap sub-standard materials and have been shown to contain dangerous levels of metals and chemicals like lead up to 40 times higher than industry standards."

The study conducted by the Nokia Institute of Technology in Brazil confirmed that there were two hazardous substances, lead and cadmium, in the internal and external components of five counterfeit phones at concentrations much higher than the maximum values permitted by international safety standards. Further, similar study by the Centre for Materials and Electronics Technology(C-MET) concluded that the uncertified mobiles contained very high levels of hazardous substances, especially Lead. In some cases the values were 35-40 times higher than the globally acceptable limits.

Data Collection

The mobile phone dealers were investigated if they have counterfeit phones, which do not have warranty. The places covered during the study were, Thimphu, Phuentsholing, Samdrupjongkhar, Gelephu, Tsirang, Wangduephodrang, Punakha, Trongsa, Bumthang, Mongar and Trashigang.

Findings

The *Table 2.2* shows the available counterfeit/uncertified phones that are available in Bhutan for sale. The market trend analysis for the counterfeit phones in the country is illustrated in the *Figure 2.1*.

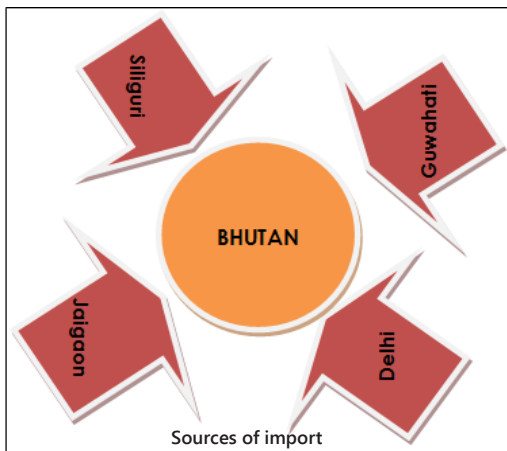
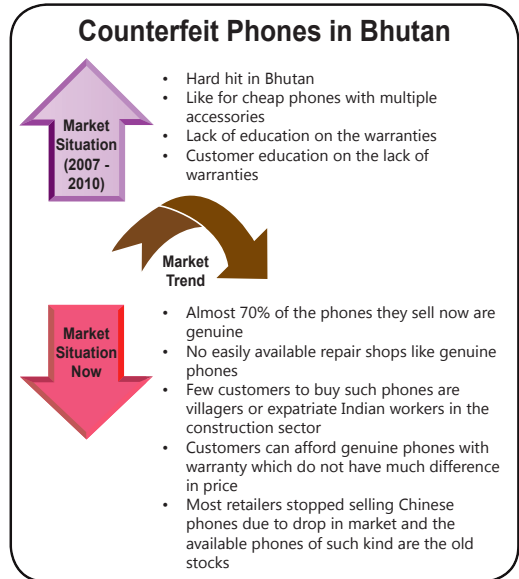


Fig. 2.1: Market trend of the counterfeit phones in Bhutan

Recommendations

- Since most of the retailers stopped maintaining stocks of Chinese phones without warranties, the Authority may issue directives requiring them to stop selling phones without warranties.
- They do have Indian made phones such

as Xolo, Lava, Micromax, etc., and they are unsure if these phones are certified or not. The Authority may therefore conduct future assessment study on such phones to validate if they are counterfeit or genuine.

Table 2.2: Data on counterfeit phones in Bhutan

Counterfeit/uncertified phones available in the Bhutanese market			
1. M-Horse	2. GFive	3. YXTEL	4. GLX W99
5. U&I	6. Gild	7. GLX	8. Hi-tech
9. Gione L800	10. Samsung Duox Galaxy III	11. MORE	12. YSTEL
13. Feppari	14. Kgtel	15. Blackberry	16. M-Tech
17. Disko	18. Chinese Nokia	19. Carlvo	20. Nokia N9
21. Samsung	22. Delta	23. Purpose	24. WooTel
25. Hi-Tech	26. KPHONE	27. GEOTEL	28. Samsung Galaxy SIII
29. YXtel	30. INTEX	31. VIDEOCON	32. SANSUI
33. G'FEN	34. VICTOR	35. G...Vill	36. BBR Digital Life
37. G'Vill	38. S King Spad Mini	39. A15 bothwin	40. Mobile
41. GEOTEL	42. Trinmo	43. Lawow	44. Nokia
45. Super HD MAOLED	46. Zee Tech	47. Telsda	48. Lephone
49. AGM	50. Asha	51. N 97	52. Yestel
53. M510 Moses	54. Nokia x2-01	55. U&I	56. Music
57. Galaxy S4	58. Good One™	59. Lephone U505	60. Lephone 555
61. Nokia 6085	62. HD Amoled	63. Xtel	64. RICHCOM (C56)
65. K&C	66. Kimfly K999	67. Micromax	68. Karbon
69. Aphone	70. ZEN	71. Maxx	72. Gild
73. Qruz ³	74. Kechaoda	75. V	76. Beetel
77. Kgtel	78. Vetro	79. Maxwin	80. GT mobile
81. hTC	82. SS Bright	83. X10	84. Monix
85. Q-TEL	86. TASHAN	87. T-FONE	88. T-TEL
89. Wifi	90. GZT 650 Nokia	91. M2x 'Five	92. Lemon
93. Desis	94. TV Mobile	95. Sony	96. YE MOBILE
97. GPS	98. Sony Ericson	99. Wi-fi Mobile	100. Turbo S
101. Philips	102. SHIRP	103. Fashion	104. Addtel
105. Violin	106. Skeleton	107. Cayanee S	108. GoLit
109. Vell-com	110. HODOO	111. SOS	112. Sany Eaton
113. Alerma	114. Asha	115. Nony	116. MANTA
117. Hongkong	118. GIONEE	119. Samsung Duos	120. GT
121. Java	122. JXD	123. Butter BT-02	124. Ken Xin DA
125. Samsung 311	126. GLX	127. AirCall	128. Hitech
129. DELTA	130. Nokia TV	131. LG c199	132. Megagate
133. Carlvo	134. Nokia X2-02	135. YXTEL-G906	136. Disko

RURAL COMMUNICATION PROGRAMME

Context

As per the directives of the Royal Government, which was conveyed through the Ministry of Information and Communications, the Office of the Bhutan InfoComm and Media Authority have started implementing the rural communication programmes from 2009 onwards with an objective to achieve universal communications services and ensuring accessibility to communication services in the country.

By end of 2014, three phases of the rural communications programme have been implemented by two mobile service providers with subsidies from Universal Service Fund (USF) maintained by the Authority as per the provisions 57 to 61 of the Act.

During the evaluation of the Third Phase of the Rural Communications Programme, the Authority has identified numerous villages in various Dzongkhags still without or partial access to communications services. The evaluation revealed that a majority of these identified unconnected villages were not included during the third or the earlier phases. Also due to topography and difficult geographical terrains, a few villages, which were already included in the early phases, were not covered by the cellular tower – Base Transceiver Station (BTS) funded by USF.

In meeting the objective of the Royal Government's vision of making communications services accessible to all Bhutanese, beginning 2015, the Authority has embarked on yet another plan to carry out the fourth phase of the rural communications programme through USF after seeking the government's directive.

Modality adopted for fund allocation

The Authority has adopted "minimum subsidy" or "reverse auction" model to allocate fund for implementing the rural communications programme.

The service providers are required to bid for the subsidy requirement to connect the designated villages under various gewogs of a given Dzongkhag. The service provider with the minimum subsidy requirement is then chosen to connect the identified villages, and accordingly the subsidy is provided from the USF. Besides the financial bid, the service providers are also required to submit a detailed technical report.

Monitoring and evaluation

As required by the agreement signed between the implementing agency (service provider) and the Authority, the later constantly monitors the progress of the programme.

After signing the agreement, the implementing agency submits a detailed work plan to carry out the programme, and also it submits monthly progress reports to the Authority.

If the implementing agency fails to complete the project within the specified timeframe, for reasons beyond the implementing agency's control, the agency is required to seek the approval of the Authority for time extension a month before the agreed deadline.

After the completion of the project, the implementing agency submits the final report to the Authority within two months. The report generally includes the lessons

learned, challenges encountered and recommendations to the Authority for improvement in future.

On receiving the report, the Authority deputed a team to evaluate the programme. The final payment is made only after the Authority completes the assessment and is satisfied with the work.

Disbursement of Fund

The Authority disburses the fund (subsidy) in three installments as prescribed in the Agreement. The first payment (50 % of the USF grant component cost) is released as an advance after signing the agreement. The second installment (25 %) is paid after receiving a copy of the Performa invoice, which indicates the proof of dispatch of equipment by the manufacturer.

The Authority releases the final payment (the remaining 25%) only on the completion of the programme, and once the evaluation is over.

Socio-economic Impact

The Bhutanese media (both print and broadcast) have attributed socio-economic development in the rural villages to the rural communications programme. In addition to connecting these villages with other villages in the country, the rural connectivity provides people with access to critical information and opens up business opportunities.

Studies by International organizations, including International Telecom Union (ITU) and the World Bank also reveal a strong correlation between rural communications programme and socio-economic development of the rural communities.

During the monitoring process, the team from the Authority has observed numerous benefits of the mobile communications services to the rural communities. With accessibility to mobile phone, the villagers now no longer need to walk for hours to avail services or meet government officials. These services are now a phone call away.

Some of the observed benefits of mobile phones to the rural communities are:

Social: Mobile phone has helped in connecting rural people with their relatives in the urban areas through constant telephonic conversations. They also feel safer and more secure as they have easy access to emergency services (health and police).

Economic: With mobile phone, the rural communities can easily conduct business and get access to information related to market more easily. They can now decide the appropriate time to take their produce to the market and fetch good prices.

With a click of a button, it is now possible to find market without having to visit them physically. Therefore, the connectivity enables sellers and buyers to meet virtually and conduct businesses.

Entertainment: The mobile phone has also helped the rural communities to get entertained. Now with mobile phone, they can participate in singing programme or dedicate songs for their relatives and friend to any FM radio station.

Besides, the villagers also use the mobile phones to tune in to FM radio stations or store local songs and play them while they work in their fields or look after their cattle.

In general, even in the absence of depth research on rural communication

programme, the preliminary observations on the rural communications programme have demonstrated numerous benefits in the rural communities.

Conclusion

Under the last three phases of rural communications programme, the Service Providers (Bhutan Telecom Limited and Tashi InfoComm Limited), as presented in *Table 2.3*, had connected a total of 647 villages under 113 gewogs with the cellular services.

For the last three phases, approximately

Table 2.3: No. of villages connected

Phases	Dzongkhag	Gewog	Villages
First	17	35	260
Second	15	59	322
Third	10	19	65
TOTAL		113	647

Nu. 455.477 Million was allocated from the USF to provide subsidies to the two service providers for connecting the un-connected villages.

The *Figure 2.3* shows the total cost of programme; the subsidy allocated from USF and Service Providers’ own contributions.

Table 2.4: Total cost breakdown

Phase	Service Provider	Total Project Cost (Nu. Million)	Operators’ Contribution (Nu. Million)	USF (Subsidy) (Nu. Million)
First	Bhutan Telecom Ltd (BTL)	282.5	141.25	141.25
	Tashi InfoComm Ltd (TICL)	67.69	20.555	47.135
Second	BTL	143.69	43.12	100.57
	TICL	101.662	30.498	71.164
Third	BTL	70.75	31.17	39.58
	TICL	72.090	16.31	55.78
	TOTAL	667.632	282.903	455.477

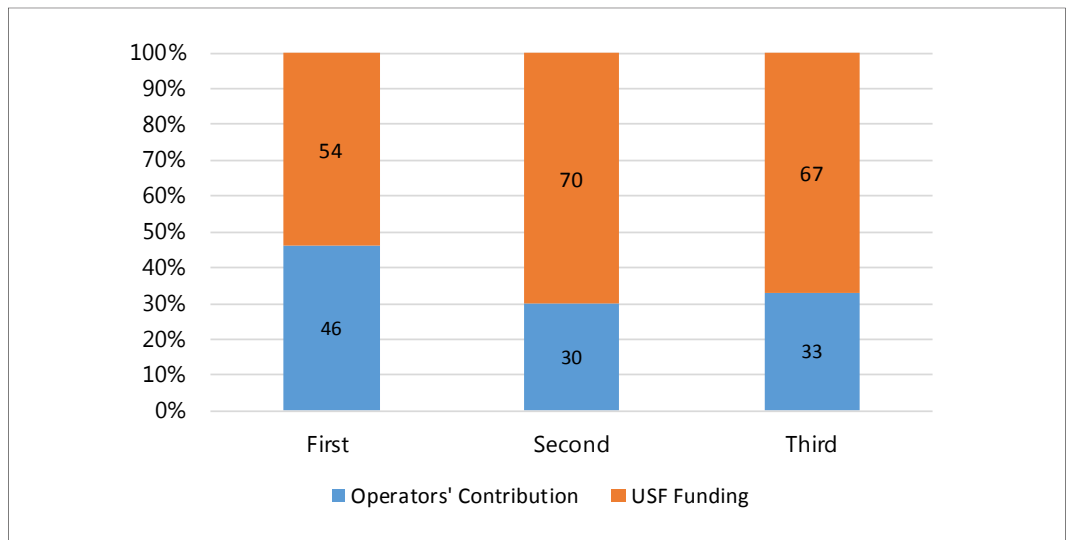


Figure 2.3: Total contribution to the programme (%)

RADIATION FROM THE CELLULAR TOWER

Context

On 4th August 2014, a group of Motithang residents submitted a petition to the Minister for Information and Communication Ministry to relocate the mobile tower built close to the residents reasoning that it poses imminent danger of living next to the mobile tower.

Kuensel also reported on the same issue on 1st September 2014.

The residents' submission was purely based on the information obtained from different sources on the Internet and lacks substantive evidence of the risk posed by the mobile tower to the people living close to it or nearby.

Review

The Authority reviewed various studies on the subject by competent international organizations and also a team of the Authority officials visited the tower site to gather technical details for investigating the case.

Findings

Based on the review of the studies as well as the field visit, the team established the following facts:

Effect of Radiation from the Cellular Tower: The WHO survey (2006) shows that the Radio Frequency (RF) exposures from Base stations range from 0.002% to 2% depending on a variety of factors such as the proximity to the antenna and the surrounding environment. Such exposure is much lower or comparable



Figure 2.4: Cellular tower based at Motithang

to RF exposures from radio or television broadcast transmitters. It further reveals that the only health effect from RF fields have been related to an increase in body temperature ($> 1\text{ }^{\circ}\text{C}$), however, the levels of RF exposure are so low that the temperature increase will be insignificant and do not affect human health.

The American Cancer Society (ACA) confirmed that, "at ground level near BTS, the amount of RF energy is thousands of times less than the limits considered safe" and is very unlikely that a person could be exposed to RF levels in excess of these limits just by being near a cell phone tower.

The International Agency for Research on Cancer (IARC) has also ruled out that the cellular phone tower and base stations could increase cancer risk. Their 2012 review did not find any convincing evidence that the radiation from mobile towers, including base stations, could

affect human health, as the exposure is usually at least hundred times below the international guidelines and much lesser than the exposure one gets directly from his/her mobile phone.

However, with the enormous increase in mobile phone usage throughout the world, their study (2011) classified the mobile phone radiation as Group 2B (possibility of some risk) of carcinogenicity and recommended for more research of the long-term heavy use of mobile phones. Based on this study, both WHO and IARC advised the public to adopt safety measures to reduce exposure, like use of hands-free devices or texting.

Radiation from the tower

Equipment standard: Bhutan Telecom uses Ericsson equipments (European standard) which follows internationally accepted standard as recommended by World Health Organization (WHO) and International Commission for Non Ionizing Radiation Protection (ICNIRP).

Radiation from the tower: The radiation from the BTL tower is around 4.5 watt/sqm and 9.0w/sqm for GSM (900 and 1800 MHz) including 3G and 4G services. These powers are much lower than the international prescribed standard.

2G BTS- Transmit power-43-51 dbm
(20-100W)

3G Node B, Transmit power-46dbm
(40W)

4G Node, transmit power-46dbm (40W)

Tower specification: The tower is a three sector (direction) tower and has 2G, 3G

and 4G BTS. The height of the tower is 30 meters and is powered by commercial power supply and meets the normal standard, including the structure.

Distance between tower and buildings:

The minimum distance between the tower and the building is around 10 meters.

The height of the surrounding buildings:

Except for one building (four storeyed), most of the buildings surrounding the tower are duplex (double storey). The maximum height of four-storeyed building is around 20 meters and is about 30 meters from the base of the mobile tower.

Conclusion

The claims of the residents do not provide any substantive evidence of harm caused by the mobile tower to the people living closer to it.

The studies on the mobile tower conducted by competent authorities reveal no evidence of its adverse effect on the human health as long as the radiation level is within the prescribed limit set by International Commission for Non Ionizing Radiation Protection (ICNIRP). The studies also confirm that the normal ground-level exposure from a tower is much less compared to the direct exposure one gets from using a mobile handset.

The intensity of the radiation and the height of the tower in question are within the prescribed ICNIRP limit and therefore may not pose harm to the residents.

CABLE TELEVISION SYSTEM

Context

The Authority is mandated to regulate and create a favourable environment for the development of the ICT facility and services in the country. The Cable Television Service (Cable TV) is also one of the licenses under the ICT service category.

Although there had been a few significant progresses in terms of coverage and number of viewers since its commencement of the service in 2000, there was not much noticeable development in terms of technology used and the quality of service offered.

Challenges

While most of the countries have already initiated the migration to digital systems, it is of concern that the production of analog equipment may eventually stop. Moreover, the Authority is concerned on analog equipment getting dumped in the country from other countries. Bhutan is one of the last few countries where analog technology is used to distribute cable TV.

The current Cable TV systems face several associated problems such as poor quality signals, inefficient customer services, low revenue collection, improper customer numbers for tax collection and above all non uniformity of number of channels provided with respect to different cable services.

Initiative

This calls for rethinking on ways of upgrading the Cable TV systems in the country. To initiate this objective, the Authority involved a local consultant to undertake a study titled “**Enhancement**

of cable TV in Bhutan: Its technology and business model” mainly to study the existing Cable TV systems, its flaws and to recommend and develop the strategic operational plan to improve them.

With the growing convergence of the broadband Internet services and the cable TV signals worldwide along with the numerous value-added services made possible due to the advancement in technology, the Authority is also studying and exploring ways to bring about the same development in the country. This can be, however, implemented only if the digital system is deployed instead of the analog system that all the cable operators in the country currently use.

The digitalization of the cable TV systems presents enormous opportunities for the operators to increase their revenues through value-added services and allowing the customers to enjoy high and better picture quality, as well as other services apart from improved TV signals.

Owing to the availability of the National Optic fibre backbone and its reach even to the remotest block, the Authority perceives an advantage in establishing a Single Digital Head-end infrastructure with a Multi System Operator (MSO) and distributing the signal to other Dzongkhags. This will reduce the unnecessary duplication of Cable TV Head-end by every individual cable operators in different parts of the country and will subsequently reduce the capital and maintenance cost while at the same time preventing the outflow of money.

As recommended by the consultant on the feasibility of forming MSO and establishing the digital head-end, the Authority

prioritized the consolidation of local cable operators in forming MSO and establishing the Digital Head-end infrastructure. Meanwhile, the Association of Private Cable operators (APCO) consisting of various local cable operators, is carrying out a feasibility study in terms of both technical and financial fields to come up with single head-end.

Conclusion

The establishment of Single Digital Head-end system and its distribution of cable TV signal is the most appropriate solution to the current cable TV system and the Authority, with close consultation with the relevant stakeholders and the APCO, is further studying the issue.

INDEPENDENCE OF THE AUTHORITY

Introduction

With rapid changes in the communications and media technologies, and consequently low performance by the operators and service providers, the establishment of independent regulatory authority was seen necessary to improve performance of the service sector. Such development in the public service sector has led to increase in the number of regulatory authorities from mere 12 in 1990 to 153 in 2009¹ worldwide. Of 153 countries, 125 have established regulators that are independent in their functioning and decision making process. These regulatory authorities are essentially responsible for ensuring “just and reasonable” pricing, equitable access to infrastructure, quality service to the public and provide a “level playing field” for companies to participate and compete in the sector.

With the enactment of Bhutan Information, Communications and Media Act (Act) in 2006, the Bhutan InfoComm and Media Authority was established from erstwhile Bhutan Communications Authority. The Authority was delinked from the Ministry of Information and Communications (MoIC) to function as an autonomous regulatory body. This article attempts to examine

the autonomous status of the Authority in its functioning to fulfil its mandate as provided by the Act.

Independence – What and why?

The term “independence” is often misunderstood and misinterpreted. Independence does not mean insulation of the regulator from the government, industry, stakeholders and their overall interest. A regulator is required to function within the laws enacted by the parliament; policies issued by the government; and rules adopted by the sector as per the laws and policies.

The ‘independence’ in regulatory context is, therefore, the authority and the capacity to implement laws, policies and regulations within the three regulatory precepts:

- a) An arm’s-length relationship with regulated industry;
- b) An arm’s-length relationship with political authorities; and
- c) Embrace attributes of organizational autonomy that fosters the requisite regulatory expertise².

Regulatory independence is one of the important tools in realizing regulatory

¹ITU Report 2010, Trends in telecommunication reforms, ITU.

objectives such as achieving socio-economic goals, promoting competition, encouraging investment and protecting the interests of customers by containing abuse of market power, among others. Independent regulator reduces the regulatory risk and facilitates the creation of a stable investment environment that boosts the confidence of investors and consumers.

Independence is considered to be a critical attribute for the regulator to be effective and efficient. Furthermore, regulatory independence becomes crucial when there are players that are owned by the government.

The international experience demonstrates that the greater regulatory independence has significant benefits to a nation and its citizens. For instance, empirical studies on Latin America have shown that having an independent regulator can substantially increase the tele-density³.

Similarly, in African countries, introduction of independent regulators have led to increase in various telecom performances such as mobile phone penetration and tele-density⁴.

As Bhutan is also considering to join the World Trade Organization (WTO), the relevance of an independent regulator is critical as one of the requirements of the WTO is to have an independent regulator to "ensure that regulatory authority is separate from, and not accountable to,

any supplier of basic telecommunications services, and that their decisions are impartial with respect to market participants."

The Status of Authority's Independence and Autonomy

The Authority was formally established as an independent and autonomous regulatory body with the enactment of the Act in 2006.

Since then, the Authority has adopted number of rules to exercise its functional autonomy in regulating the ICT and media industry.

Despite the progress made in the exercise of its functional independence, the Authority faces a number of challenges particularly towards operationalization of its autonomy of finance and human resources. A detailed study and recommendation made to this effect by the International Telecom Union is yet to be reviewed by the government.

While there are various indices formulated by different scholars to evaluate national regulatory independence and autonomy status, this article uses the following to assess and better comprehend the Authority's independence and autonomy issue:

1. Stability of Leadership

As per provision of the Act, the Authority today comprise of 6 Members, including the Director of the Authority as the Member Secretary and the Chairperson.

The Minister, in consultation with the Royal Civil Service Commission (RCSC), the Cabinet appoints the

² Smith, W 1997, Utility Regulators—The Independence Debate, Note No. 127, World Bank.

³ Gutierrez & Berg 2000, Telecommunications Liberalization and Regulatory Governance: Lessons from Latin America, Public Utility Research Center, University of Florida

⁴ Wallsten, SJ 2001, An Empirical Analysis of Competition, Privatization, and Regulation in Telecommunications Markets in Africa and Latin America, World Bank.

members of the Authority for a period of not less than three years and not exceeding five years. The Authority is, therefore, blessed with the stability of leadership that supports the functional independence notion of a regulator.

2. Scope of the Authority

The chapter two and three of the Act clearly distinguish roles and responsibility between the MoIC and the Authority. While the formulation of policy, legislation and regulation are vested with the Ministry, the Authority is mandated with the implementation of policies, directives, framing of rules, licensing and setting up of tariffs.

Such separation of regulatory aspects from policy making gives functional independence of the Authority, which is crucial in day-to-day affairs of the Authority.

However, such functional independence alone is insufficient in enhancing the efficiency and effectiveness of the Authority in the absence of autonomy in the allocation of financial and human resources.

3. Financial and human resources

The Act clearly provides the allocation of financial and human resources. It spells out the financing of the Authority's activities is from the 'fees and other charges payable to the Authority under this or any other Act' and 'funds appropriated by the Ministry of Finance'.

This provision of the Act is not yet put in practice as the government appropriates the annual budgetary requirements.

This lack of financial autonomy or budget may constrain the Authority in undertaking important projects and programmes that are necessary for improving its regulatory functions.

The sources of finance for the regulatory authority are essential in determining its degree of independence and competency in fulfilling its mandates and responsibilities. Moreover, the functional autonomy of any regulator granted under law can be undermined if the regulatory authority is fully dependent only on one source of financing mechanism, which depends on changing political governments.

A detailed proposal on financial autonomy to enhance the efficiency of the regulator prepared by the ITU was submitted to the MoIC for the consideration of the government.

Conclusion

From the preceding review and discussion, it is apparent that the Authority is yet to realize and implement the provision of the Act on the allocation of financial and human resource autonomy.

Noting the significance of regulatory independence in overall development of ICT and media sector, the best way forward for the government is to consider the proposed financial and human resource autonomy with institution of sufficient safeguards such as Internal Service Rules and Financial Rules requiring all allocation and decision making to be made transparent and accountable.

⁵ Wu, I 2004, Traits of an Independent Communications Regulator: Search for Indicators, FCC, International Bureau Working Paper Series.

CHAPTER THREE

STATISTICS ON ICT, MEDIA AND ENTERTAINMENT SECTORS

“Specifically in the entertainment sector, the Authority witnessed evolution and with the changing needs of the time, there are many new entertainment avenues coming up.”

This chapter presents licences and permits issued during the year and available statistics on ICT, media and entertainment sectors under the regulatory purview of the Bhutan InfoComm and Media Authority.

The chapter also contains trends on the telephonic and mobile phone subscribers, information on the number of films produced, tele-density and market share of mobile cellular service providers.

LICENCES AND PERMITS ISSUED DURING THE YEAR

Licences Issued

Printing Licence: The Authority issued two new printing licences under the category of cottage firm. A total of thirty-five such printing licences have been issued till now.

Registration of Books: The Authority registered a total of 24 books/ magazines by various publishers during the year.

Entertainment licences: In 2014, the Authority issued licences to 48 snooker rooms, 11 video game parlours, 7 drayangs, 3 discotheques, 8 Karaoke rooms and 1 Performing Troupe.

Publishing licences: The Authority issued 8 new publishing licences under the category of individual and publishing house for the year 2014.

Gaming Park: The Authority issued a new licence named “Gangjung Go-Kart fun Centre” under a new category – Gaming Park, at Jungshina, Thimphu to Mr. Ugyen Tenzin of Jalikhar, Chokhor, Bumthang.

Permits Issued

Reality show: The Authority also issued one reality show permit to Druk Star Production to host Druk Super Star- Season 4.

Filming Permits: A total of 23 national films and 35 international documentary film permits were issued in 2014.

Certification of Films: The Authority reviewed 23 national films and certified for public viewing with different categories of rating and also reviewed 13 International documentaries/ films.

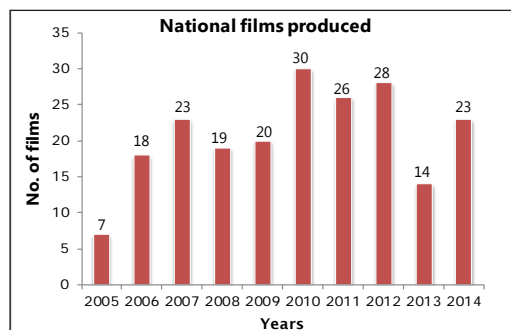


Figure 3.1: Trend on national films produced

Accreditation of journalists: 2014 saw the arrival of 202 foreign journalists, mainly to cover the visit of India's new elected Prime Minister to Bhutan.

Dzongkhags	Drayangs	Disco- theque	Karaoke/ Live Music	Go Kart	Cinema Hall	Snooker	Video Game	Performing Troupe
Bumthang	6	4				11	3	1
Chhukha	7	1	6			13	3	
Gasa						2	1	
Haa	1					2		
Lhuntse						1		
Mongar	1					2	3	
Paro	5	2	1		2	20	5	3
Pemagatshel							1	
Punakha	3	3			1	8		
Samdrup- jongkhar			1			9		
Samtse			2				5	
Sarpang	2	1	1			1	4	
Thimphu	13	10	24	1	5	62	39	5
Trashigang						4	4	
Trashiyangtse						1	1	
Tsirang							1	
Trongsa						4		
Wangduepho- drang	3	3	2			19	7	
Zhemgang						3	2	

Table 3.1: Statistics on ICT and Media Sectors

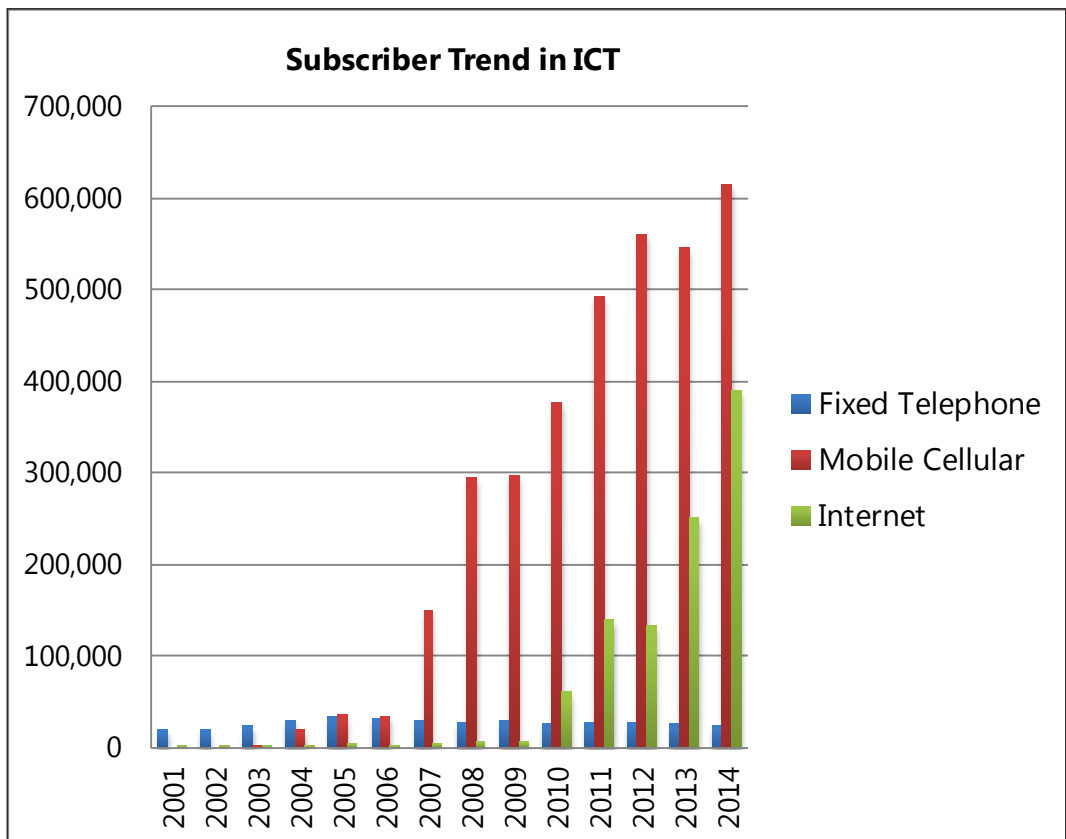
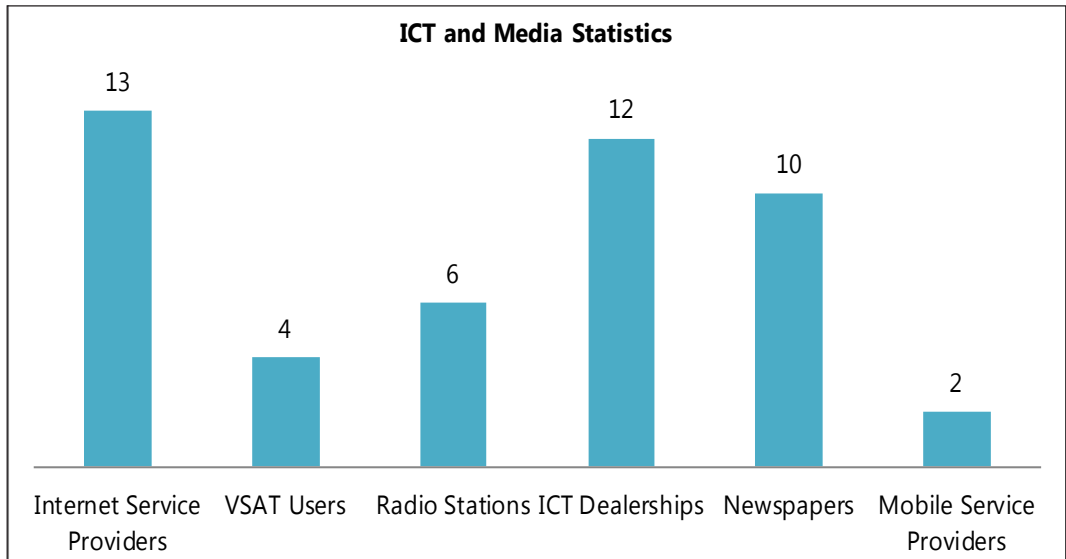


Figure 3.2: Subscriber Trend in ICT and Media Sectors

CHAPTER FOUR

REVIEW OF PROJECTS AND PROGRAMMES

“Telecommunications, Radio-communications, Media and Entertainment sectors continue to grow in Bhutan. The Authority in its pursuit to provide professional regulatory mandates, carried out various programmes.”

UPGRADATION OF ONLINE LICENSING SYSTEM

In its pursuit to provide professional services to its licensees, the Authority launched the online licensing system in 2013. The system has numerous advantages over the manual licensing procedure, which involves considerable paper works and intermediate approval processes. With time, through

practical experiences of shortcomings in the system, the Authority prepared bidding proposals and terms of references to employ a consultant capable of identifying problems and solving the identified issues. The tender was floated duly for the same purpose.

CAPACITY DEVELOPMENT PROPOSAL

The Authority, in its pursuit to be competent information, communications and media regulator in the country has recognized the importance of developing its human resource through training and exposure. Therefore, the Authority prepared a comprehensive project proposal seeking funding assistance from

the International Telecommunications Union (ITU) to support the proposed attachment programmes for its officials with the Australian Communications and Media Authority (ACMA) office. Based on the assessment of the current need of the Authority, nine programmes were proposed.

MONITORING OF PLACES OF ENTERTAINMENT

The Authority recruited two interns and conducted monitoring visits to the places of entertainment at central, southern and western region of the country. During these visits, the Authority found that some places of entertainment were being operated without an appropriate licence while some establishments were leased out to a second person and some did not fulfil the technical standards. And some establishments had not renewed their licences on time.

The Authority asked those operating without licences to obtain valid licences and it suspended some and imposed penalty according to the licensing terms and conditions. The Authority also notified those establishments that did not fulfil technical standards to work towards it. The Authority also reprimanded those failing to renew their licences on time to do so hereafter or their licences would be cancelled.

VALIDATION OF TECHNICAL STANDARDS OF PLACES OF ENTERTAINMENT

With the Rules Governing Places and Programmes of Entertainment put in place, the Authority conducted a monitoring of technical standards of a few places of entertainment such as discotheques, drayang, karaoke and LIVE music in Thimphu.

During the monitoring process, the Authority directed those licensees with

unfulfilled technical standards to rectify them and explained the establishment owners on the standards. The licensees were asked to sign the new terms and conditions for their establishments.

The Authority shall complete the validation of technical standards with the signing of new terms and conditions of the places of entertainments at a later date.

4TH RURAL COMMUNICATIONS PROGRAMME

During the evaluation of the Third Phase of the Rural Communications Programme, the team from the Authority has identified many villages in different Dzongkhags still with no or only partial access to communications services. The evaluation revealed that a majority of these identified villages that remain cut off were not included during the Third or earlier phases, and also due to topography and the nature of the terrain, a few villages, which were

already included in early phases could not be covered under the Programme.

In order to ensure and fulfil the government's vision of making communications services accessible to all Bhutanese – irrespective of the location of their villages. The Authority plans to carry out the fourth phase of the rural communications programme through the use of Universal Service Fund (USF).

CODE OF PRACTICE ON REGISTRATION OF SUBSCRIBER IDENTITY MODULE (SIM) CARDS

The Bhutan InfoComm and Media Authority Board approved the "Code of Practice on Registration of Subscriber Identity Module (SIM) Cards submitted by the Cellular Service Providers. This was done in order to regulate the ownership and use of SIM cards for legitimate purposes and to promote and protect safety, security and the general welfare of the citizens of Bhutan. Prior to this, there was only a guideline.

To deter criminal activities and maintain peace and order in the country, there is a need for registration of SIM cards by the Service Providers, as this will promote responsibility and accountability in the use of SIM cards. Similarly, it is expected to provide better law enforcement capability in protecting the general public by maintaining proper data-base of individual subscribers by the Service Providers.

RADIATION FROM CELLULAR TOWER

A group of residents from Mothitang, Thimphu had submitted a petition to the Hon'ble Minister for Information and Communication

Ministry to relocate a mobile tower, which was erected close to their building in view of risks that the tower poses to the residents.

The Authority reviewed the submissions by reviewing various studies on the subject by competent international organizations and also visiting the tower site. The Authority also gathered technical details on the tower. Based on the review, the Authority presented its findings as follows:

- a) The claims of the petitioners do not provide solid evidence of harm caused by the mobile tower, which is located at the place.
- b) The studies conducted elsewhere also reveal no evidence of adverse effect on the human health, as long as the radiation level is within the prescribed ICNIRP limit. Further, the studies show that the normal ground-level exposure from a tower is much lesser compared to the direct exposure one gets from using a mobile handset.
- c) The intensity of the radiation and the height of the tower in question are within the prescribed standards and therefore may not pose harm to the residents.

FOLLOW-UP ACTIVITIES ON NEW DIVISION OF THE AUTHORITY

The Authority identified the need to have a dedicated division that undertakes planning, policy and research activities and subsequently the Authority had proposed creation of a new division to the Royal Civil Service Commission. The Authority followed up on the proposal and was informed the proposal will

be decided after the Organization Development (OD) exercises. Considering that the start of OD exercises for the Authority is yet to be decided and that the regulatory programmes and activities are required to be carried out, the Authority requested the Commission to reconsider its decision.

CABLE TV SURVEY

The Authority conducted a selection interview for the temporary survey enumerators on 9th – 10th January 2014. A total of 36 applicants applied; out of which only 10 were selected. The survey was conducted from 21st January 2014 to 11th April 2014 in Gelephu, Sarpang, Punakha and Wangduephodrang. It surveyed a total

of 7822 respondents – 2,339 in Punakha, 2,783 in Wangduephodrang and 2,700 in Gelephu/Sarpang respectively.

With the survey completed in Phuentsholing, it is expected to complete for the other areas in Chhukha and Gedu by 10th January 2015.

ENHANCEMENT OF CABLE TELEVISION SERVICES

The Authority selected M/s I Druk Consultancy to study **“The Enhancement of Cable Television Services, its Technology and the Existing Business**

Model in Bhutan” on 30th January 2014 after evaluating both the technical and financial bids.

REGULATORY ENFORCEMENTS

Following the due process prescribed in the Act and the Rules, the Authority enforced a number of regulatory decisions against non-compliant licensees. The decisions included

revocation of a publishing licence; issuance of show cause orders, cautionary notices and suspension orders against publishing / radio broadcast / entertainment licensees.

15TH SOUTH ASIAN TELECOMMUNICATIONS REGULATORS' COUNCIL (SATRC) MEETING

The Authority hosted the 15th South Asian Telecommunications' Regulators Councils meeting at Paro, Bhutan from 5 – 7th August 2014. Over 40 participants attended the meeting from regulatory authorities

and stakeholders in South Asia. The meeting provided a platform for exchange of common concerns and opportunities; emerging technologies and best regulatory models in the telecommunication sector.



Figure: 4.1: Glimpses of the 15th SATRC Meeting held at Paro

CONSULTATION MEETING ON CONSULTANT REPORT

The meeting was held with stakeholders of cable TV operators and MOIC officials on 8th May 2014 in the conference hall of the Authority. M/s I Druk Consultancy presented the consultancy report on the

Enhancement of Cable Television Services, its Technology and the Existing Business Model in Bhutan. The meeting was fruitful as it provided platform for raising concerns, suggestions, and recommendations.

MEETING ON CABLE TV ISSUES

The team led by Director met with Dzongdas of Mongar and Pemagatshel and discussed

the issues pertaining to cable TV from December 27- 4January 2014.

STUDY OF FREQUENCIES FOR THE CAPACITY DEVELOPMENT OF GLOF AND RAINSTORM FLOOD

A proposal to study the frequencies for the capacity development of GLOF and rainstorm flood at Bumthang and Trongsa was submitted by the Flood Warning Section, Ministry of Economic Affairs.

The first coordination meeting was held on 14th February 2014 with experts

from JICA and MEA officials at Director's Chamber at 10 AM. The project will be funded by JICA.

The Authority is carrying out the study on Spectrum Planning for assigning the required frequency.

RULES GOVERNING PLACES AND PROGRAMMES OF ENTERTAINMENT

In order to simplify the procedures so that the individuals apply and establish places of entertainment, and manage them effectively, the Authority put in place the Rules Governing Places and Programmes of Entertainment. The Rules not only contain the methods to apply for the places of entertainment licences, but

also the procedures on obtaining short-term permit/time-bound permits.

The Rules came to force with effect from 31 May 2014. The copies of Rules have been circulated to all Dzongkhag Entertainment Licensing Committees and the licensees.

CHAPTER FIVE

REVENUE AND EXPENDITURE: OVERVIEW

“Although the need for financial autonomy of the Authority is felt in effective delivery of the regulatory mandates, the proposal citing the reasons for the need is submitted and the decision is still pending.”

REVENUE ACCOUNTS OF THE AUTHORITY

The Authority’s earning is deposited in two accounts viz. CD 20700220291400019 and RGR42/20200220265100011.

Universal Service Fund (USF) and Media Development Fund (MDF). The category of collections that are deposited in these three respective revenue heads is as shown in the

The CD account contains two funds viz.,

Table 5.1.

Table 5.1: Revenue accounts of the Authority

REVENUE HEADS	CATEGORY OF COLLECTIONS
RGR	VSAT Permit Fee
	ISP License Fee
	ICT Dealership Permit Fee
	SITA Permit Fee
	Radio License Fee
	Amateur License Fee
	Cable TV Licence Fee
	Publishing License Fee
	Printing License Fee
	Books Registration Fee
	Broadcasting(Radio Station) Fee
	Newspaper Publishing License Fee
	Entertainment License Fee
	Entertainment Permit Fee
Fines & Penalties from above	
MDF	National Film Permit Fee
	National Journalist Accreditation Fee
	International Film Permit Fee
	Ad-hoc Journalist Accreditation Fee
USF	ICT Service/Facility License Fees

REVENUE BALANCE (FISCAL YEAR 2013-14)

The *Figure 5.1* shows the revenue balance in three different accounts of the Authority at the end of June 2014. The total budget, expenditure and overall balance for the fiscal year 2013-2014 are as given in the annexure VII.

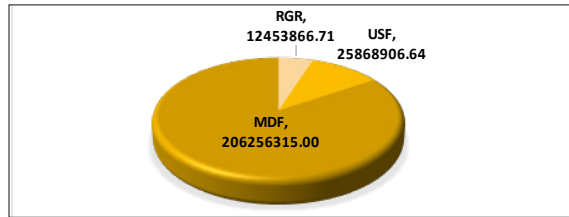


Figure 5.1: Revenue balance of the Authority

SOURCES OF REVENUE

The major source of the Authority's revenue is from the licence fees collected from the two mobile cellular service providers. The revenue-generating sector next to mobile service providers is licence fees from the entertainment sectors. The *Figure 5.2* depicts

the revenue sources measured with respect to its resource requirements and attractiveness of the revenue source. The size of the circle represents proportionate increase or decrease in revenue share; larger the size, higher the revenue share and vice-versa.

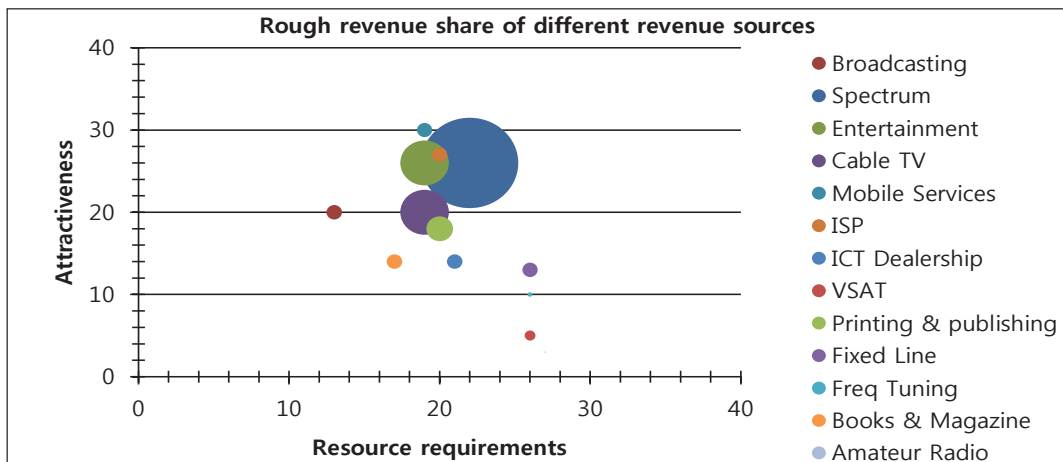


Figure 5.2: Revenue share of the Authority

REVENUE TREND

The *Figure 5.3* illustrates the Authority's revenue trend of the past six years. In the initial years of the establishment, there is a slight drop in the revenue, which is mainly due to less entertainment, media and ICT licensees. With the growth in ICT and Media Sectors in the country, the past years saw consistent increase in the revenue.

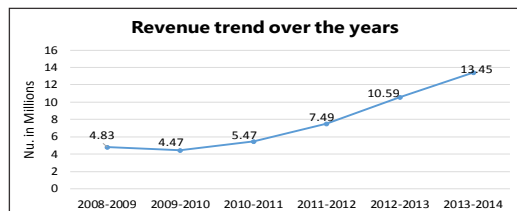


Figure 5.3: Revenue trend (2008-2014)

CHAPTER SIX

WAY FORWARD PROGRAMMES

“Towards ensuring continuity in the regulatory roles and other programs facilitating regulation, the authority identified a host of important programmes in the forthcoming year.”

PROPOSAL TO STUDY THE LICENSING OF E-SERVICES

There is an expression of interest in the development of a website that would cater multiple needs of the public. Proposal has been submitted to the Authority for approval. Since the Bhutan Information and Communications Act, 2006 does not specify that the Authority is mandated to issue such license, and that the proposal is first of its kind to be handled. Therefore, the Authority felt the need to do a thorough groundwork before issuing the approval. The Authority plans to employ a qualified consultant that would both act as a legal and technical advisor on the issue of such licenses. Following are the services the website would fulfil for the general public:

- Information on the available job vacancies
- Training opportunities
- Scholarship opportunities
- Advertisement of new products

- Announcements on tenders and quotations
- Public notifications
- Felicitation messages
- Online campaigning
- Online services for hotel and travel agents

The core objective of the technical assistance is to study the best practices in the issuance of licences to establish websites that will cater the services listed above. The consultant will advise the Authority on the development of regulatory frameworks and provide recommendations to see if issuance of such licences will fall under the scope of the Bhutan InfoComm and Media Authority. Further the consultant will assist the Authority to draft the rules governing such websites to ensure level playing field for all the Bhutanese citizens.

STUDY ON THE SOCIO ECONOMIC IMPACTS OF MOBILE PHONES IN BHUTAN

The mobile phones have become crucial tool for communications in Bhutan today. As the user base increases year after year, there is a great scope and need for

conducting market research in order to determine if the current services satisfy the customers and what value added service can be identified.

RURAL COMMUNICATIONS PROGRAMME

One of the objectives of the government is to ensure universal access to communications services by its citizens. To fulfil that goal, the Authority plans to begin the fourth phase of the rural communications programme using the USF.

During the evaluation of third phase of rural Communication Programme, the team from the Authority identified villages that do not have mobile connectivity and are not included in third phase. The Authority has notified all Dzongkhags to submit the list of

unconnected villages under their respective Dzongkhag. The list is being compiled to be included in the fourth phase of the Rural Communications Programme.

The Authority plans to submit a detailed report to the Ministry of Information and Communications soliciting the policy directive of the Royal Government, as required by under *Section 4.1* of the Rules Governing the establishment and Administration of the Universal Service Fund (USF).

FUTURE TELECOMMUNICATIONS REGULATORY REFORMS IN BHUTAN

The Authority aspires to enhance the cable television services to include other ICT services in the near future. The Authority hopes that the result of the cable TV survey and the detailed study commissioned to

an independent consultant will present a detailed information and roadmap for enhancing the Cable Television Services, and its converging technology to meet the demands of the changing business model.

MONITOR, INSPECT AND COLLECT DATA FROM BOOK STALLS

To streamline the sale or distribution of books in Bhutan, whether published within Bhutan or otherwise, as per section 95, of the Bhutan Information, Communications and Media Act 2006, the Authority will take initiative to register all the books sold at bookstores in Bhutan. It aims to institute a system to facilitate the registration process

and to make the registration of books available to all the public for reference. The Authority, in collaboration with various agencies regulating the entry of goods and services at various check-points, will institute an annual audit of compliance to ensure that the voluntary registration system is being fully complied with.

ANNEXURE

ANNEXURE I: PRINTING LICENSES ISSUED

Sl. No.	Name of the Printing Press	Type	Dzongkhag	Licence Number	Issue Date
1	Bhutan Printing Press,	Cottage	Phuntsholing	301000019	14/01/2014
2	Bhutan Printing Solutions,	Cottage	Thimphu	301000034	12/10/2014

ANNEXURE II: PUBLISHING LICENSES ISSUED

Sl. No	Name of the Publisher	Type	Date of Issue
1	Greener Way	Individual	12/04/2014
2	Kesang Namgay	Individual	07/08/2014
3	Pema Choezom	Individual	08/08/2014
4	Tshering Gyeltshen	Individual	09/12/2014
5	The Roaring Dragon Publication	House	04/03/2014
6	Shejun Publications	House	23/05/2014
7	Miza Books	House	03/09/2014
8	BICTTA	House	05/11/2014

ANNEXURE III: ICT AND MEDIA SECTORS

Internet service providers	Radio stations
1. DITT, MoIC	1. BBS Radio
2. Drukonnnet	2. Kuzoo FM Radio
3. Bhutan Telecom	3. Centennial Radio
4. Tashi Cell	4. Radio Waves
5. LDTechnologies	5. Sherubtse Campus Radio
6. Peljorkhang Pvt Ltd	6. Yiga FM Radio
7. Samdhen Tech Pvt. Ltd	ICT dealerships
8. Tsenrig InfoCom	1. eDruk, Samdhen Tech
9. TST Systems Pvt. Ltd	2. G4S Security Services
10. USD Net dotcom	3. M/s USD Enterprise,
11. Tashi Dargyel ISP & Enterprise	4. Continential Bhutan Enterprise
12. Drukcom	5. Druk Yul Infotec, M/S
VSAT users	6. Changlochen Enterprise
1. Liaison office of Denmark	7. Bhutan Vision Communication
2. WHO Country office	8. Dhengsang Thruelrig
3. Druk Punjab National Bank	9. M/S Sonam kuenga Trading
4. Embassy of India	10. Tshomo Geo Tech Enterprise
	11. Ugyen Trading House
	12. Geserling Enterprise, TCD Traders

Newspapers	
1. Kuensel (Daily)	7. Druk Melong (Weekly)
2. Bhutan Times (Weekly)	8. Gyalchi Sarshog (Weekly)
3. Bhutan Today (Bi-Weekly)	9. The Bhutanese (Weekly)
4. Business Bhutan (Weekly)	10. Druk Yoedzer (Weekly)
5. The Journalist (Weekly)	Mobile service providers
6. Druk Nyetsheul (Weekly)	1. Tashi Cell
	2. Bhutan Telecom

ANNEXURE IV: LIST OF BOOKS REGISTERED

Sl. No.	Name of the Book/ Magazine	Name of the Publisher	Date of Issue
1	What Makes To Be Born Beautiful (Re-print)	Mr. Jangsem Tashi	7/1/2014
2	Eternal Knot " A Journey of two nations in Time	IMS	17/01/14
3	Selje Sumchu, Yangzhi, Dhokchen Dang Gochen, Joetshig Lhagdep Nyipa, Joetshig Lahgdep Dhangpa, Jorlok Dang Tshigdue Padep Nyipa, Jorlok Dang Tshigdue Padep Dangpa, Bu Dhari Gachi Zani, Bjagi Chharp, Tshjang Galu Yoega, Drak Drak Chikhechhonu, Chhag Tshel Lo, Zhirim Jongdeb, Losar Jongdeb, Lobrim Dangpa Jongdeb, Lobrim Nyipa Jongdep, Logrim sumpa jongdep, yigzo Jongdep Dangpa, Yigzo Jongdep Nyipa, Yigzo Jongdep sumpa, yigo jongdep zhepa, Picture book of ABC	Lorig Publication	14/02/14
4	Ap Bokto	Kuensel, For Athang Training Institute	20/05/14
5	My Days and Age: Bhutan in the 21st Century	Kuensel	22/05/14
6	My Green School	Kuensel	3/6/2014
7	Understanding waste, My waste if my responsibility	Greener way	12/6/2014
8	Scared Dances of Bhutan	Kesang Namgay	7/8/2014
9	The Palace of Good Fortune and Goodluck Vasses	Kuensel	18/8/14
10	Monster in My Room It's Raining, Listen (Written in Dzongkha)	Miza Books	9/9/2014
11	Love Perennial and otherwise	Pema Choezom	8/9/2014
12	Little Princess (Translated from French to Dzongkha)	IMS	9//9/2014
13	Bhutan Observer focus, some lessons for the Bhutanese Democracy	Bhutan Observer	9/9/2014
14	Feeling Unfelt	Thinley Pelbar Publishing	26/09/14
15	Discoverers of lifer the eleven profit centers of life	Kuensel	26/09/14
16	A Song of Sobriety	Kuensel	16/10/14

17	A Day in Teachers life	KMT Publishers	31/10/14
18	La Ama	Miza Books	4/11/2014
19	More Than A Madman	ILCS	7/11/2014
20	As I Am, So Is My Nation	Kuensel	20/11/2014
21	Students Atlas on Bhutan and the World, Atlas on Human Anatomy and physiology, Foundations for Environment Studies, Druk English Grammar series, My Book Series, Illustrated Dzongkha Dictionary for students, Karma and Unicorn, Preschool learning resources, Charts on Human Anatomy and Physiology, Wall Maps on Bhutan and Educational Charts.	Students Plus Publication	21/11/14
22	BICTTA Annual Magazine	BICTTA	26/11/14
23	Right Vision and Occasional Views	TGMI	9/12/2014

ANNEXURE V: LIST OF INTERNATIONAL FILMS REVIEWED

SL. NO.	TITLE	COMPANY/ ADDRESS	TRAVEL AGENCY IN BHUTAN
1	The King's Challenge	The King's Challenge	BOC
2	Journey of Spectacle on the earth	Wood's Office Co. Ltd	Zhiday Bhutan
3	Peking Express	EECHOLINE	White Umbrella
4	Sekai no Nipponjin-Zuma Hamita	Mulholland	Druk Sakura Tours
5	Communication Materials for Nissan Motor Co. Ltd	Nissan Motor CO. Ltd	Cabinet Secretariat
6	Good Old Growth	M2R Films	Etho Metho T & T
7	Nikon D4S - In Bhutan	Persistant Productions	BOC
8	Ariehen Sekai	TV Tokyo	Authentic Bhutan
9	Beautiful moments around the world	NHK- Tokyo Video centre	Bhutan Friendship Holiday
10	The holy cranes of Bhutan	Bavarian TV Production	Himalayan Karakoram Travels
11	Oh The people you meet	TCB marketing & Michael's	TCB
12	Tokuho Frontier	NHK	Zhiday Bhutan
13	Japanese Volunteer	Akita Television	JICA
14	JAEW	Thai TV 3	BTCL
15	JICA 50th Cooperation ceremony	NHK	JICA
16	Bhutan- Kingdom of happiness	NZZ Television	Massa-gang tours and treks
17	Ariyoshi Hiroyuki's Daretokui	Creek and River Co., Ltd	Druk Sakura Tours
18	Operation Smile- Surgical Camp	Threesixzero Production	Tarayana Foundation

19	Success story of Physical Activity in Bhutan	WHO SEARO	MoH
20	Asian Voice	NHK	Zhiday Bhutan
21	Documentary on Innovative Solid Waste Management Practice	Krishna Consultancy Pvt. Ltd	Phuntsholing Thromde
22	Find Me a Singaporean	Threesixzero Production	Druk Asia Tours
23	Bhutan- Thai 25 years of Friendship	Thai PBS	Bhutan 168 tours and treks
24	Moving Target	Beartooth Production, LLC	Bhutan Archery Federation
25	One Asia Chapter 1 Asian Noodles Load Travelogue	Mainichi Bbroadcasting System Inc. RKB	Authentic Bhutan
26	Jamtsho	UNICEF- Czech Republic	UNICEF – Bhutan
27	Racing Adventure with Brannndon Bargo: The Kingdom of Bhutan	Freelance	Yangchen Choden Tours and Travel
28	The First	Channel 5 Thailand	RGoB (Cabinet Secretariat)
29	Gender Equality Results Video	Asian Development Bank	MoEA
30	A Photography TV Series : Himalaya	United Film Works	Bhutan Dorji Holiday
31	World Breathtaking House	Wood's Office Co. Ltd	Zhiday Bhutan
32	Christian Louboutin	Brook Lapping Production	Bhutan Footprint Travels
33	Dancing on the World	Doris Edward Foundation	Yoed Dhen Tours and Travels
34	Gross National Happiness	KBS	Oriental Travel Services
35	Our Earth- Nature Documentary	Tokyo Sound Production Inc.	Atlas Tours and Travels

ANNEXURE VI: LIST OF NATIONAL FILM REVIEWED

Sl. No.	NAME OF THE FILM	PRODUCTION COMPANY	NAME OF THE PRODUCER	DATE	RATING
1	Kushuthara	Bhutan Infotainmnet	Karma Deki	13/01/2014	U
2	Made in Bhutan	Loden Foundation	Pema Wangchuk	30/01/2014	U
3	Baeyul	Yarkay Production	Daychen Penjor	20/02/2014	U (PG)
4	Sho Sho Wai	Singyel Pictures	Tshering Wangyel	31/03/2014	U (PG)
5	Ga Zoom	Dhenphel Pictures	Thinley Dorji	31/03/2014	U
6	Terma-The Prophecy	Kamala Studios	Loday Chopel	08/04/2014	U
7	Sekha Sokha	Yangday Pictures	Pema Sambhawa	26/01/2014	U
8	Mermaid II	Tshering Pelmo Productions	Tshering Pelmo	05/05/2014	U
9	Ap Bokto	Athang Training Academy	Karma Dendup	21/07/2014	U

10	Mermaid II	Tshering Pelmo	Tshering Pelmo	05/5/2014	U
11	Drang Gollay	Kuenphen Dorji Pictures	Tshering Dorji	24/07/2014	U
12	Nga Ga Mo	Karma Norzoev Drukdra Productions	Karma Choden	18/08/2014	U
13	Shey Chi Nga Gi	Yoed-dhen Pictures	Lobzang Jamtsho	04/08/2014	U
14	Lo Tay Hing tay	Precious Pictures	Lobzang Choeda	21/08/2014	U
15	Choegyral Drimed Kuenden	Norling Drayang	Ugyen Dorji	25/08/2014	U
16	Zhingkhram	Semthuen Puencha Production	Tandin Sonam	20/09/2014	U
17	Jignang	Thujay Kuenchab Productions	Chimi Gyeltshen	27/09/2014	U
18	Samoo	Pejam Rigsel Pictures	Pema Tshering	17/11/2014	U
20	Mendrel-The Dying Candle	Choezang Motion Pictures	Tshering Nidup	21/11/2014	U
21	Aye gi Jimi Zamling	Dawa Yoedzer Production	Tashi Wangmo	08/12/2014	U
22	Ga Ge Laab Mo	Kalapingka Production	Kelzang Phuntsho	09/12/2014	U
23	Lok Sho	Thuktro Productions	Pema Tshering	13/12/2014	U
24	Meto Pema	Reitna Badha Productions	Sonam Zangmo	27/12/2014	U

ANNEXURE VII: RGR, MDF & USF STATEMENT OF COLLECTIONS, DEPOSITS & PAYMENTS FOR THE FISCAL YEAR 2013-2014

Revenue Heads	Category of Collections	Opening Balance (Nu.)	Collections (Nu.)	Deposits / Payments (Nu.)	Balance (Nu.)	Remarks
Revenue (RGR)	VSAT	-	13,453,866.71	13,453,866.71	-	Total RGR Collections equals to Total RGR Deposits
	ISP License					
	ICT Dealership					
	SITA Permit Fee					
	Radio License Fee					
	Amateur License Fee					
	Cable TV					
	Publising License Fee					
	Printing License Fee					
	Books Registration Fee					

	Broadcasting (Radio Station) Fee					
	Newspaper Publishing License Fee					
	Entertainment License Fee					
	Entertainment Permit Fee					
	Fines & Penalties from above					
MDF	National Film Permit Fee	21,834,046.99	6,476,461.65	2,441,602.00	25,868,906.64	Bank Balance as of 30th June' 2014
	National Journalist Accreditation Fee					
	International Film Permit Fee					
	Ad-hoc Journalist Accreditation Fee					
USF	ICT Service/ Facility License	142,764,206.00	87,412,500.00	23,920,391.00	206,256,315.00	Bank Balance as of 30th June' 2014
TOTAL:-		164,598,252.99	107,342,828.36	39,815,859.71	232,125,221.64	

ANNEXURE VIII: BUDGET AND EXPENDITURE STATEMENT FOR FY 2013-2014

SP	AC	SAC	FIC	OBC	OBC Classifications	Revised Annual Budget (Nu)	Annual Expenditure	Annual Budget Balance
001					GENERAL ADMINISTRATION & DIRECTION SERVICES			
	001				SECRETARIAT SERVICES			
		01			ADMINISTRATION AND MANAGEMENT SERVICES			
			0001		RGOB Financing			
				01.01	Pay and Allowances	7,603,000	7,497,047.00	105,953.00
				02.01	Other Personnel Emoluments	191,000.00	190,000.00	1,000.00
				11.01	Travel-In-Country	933,000.00	925,675.00	7,325.00
				12.01	Utilities- Telephones, Telex, Fax, E-mail, Internet	390,000.00	364,824.24	25,175.76
				12.02	Utilities- Telegram, Wireless Transmission, Postage	118,000.00	105,454.00	12,456.00
				12.03	Utilities- Electricity, Water, Sewerage	70,000.00	52,083.79	17,916.21

			13.01	Rental of Properties-Buildings	917,000.00	872,412.00	44,588.00
			14.01	S&M-Office Supplies, Printing, Publications	498,000.00	485,915.00	12,085.00
			15.01	Maintenance of Property- Buildings	35,000.00	26,719.00	8,281.00
			15.02	Maintenance of Property- Vehicles	521,000.00	505,591.79	15,408.21
			15.05	Maintenance of Property- Equipment	90,000.00	81,910.00	8,090.00
			15.07	Maintenance of Property- Computers	47,000.00	39,571.00	7,429.00
			17.01	OP.Exp.- Advertising	160,000.00	143,570.00	16,430.00
			17.02	OP. Exp.- Taxes, Duties, Royalties, Handling Charges, Bank Charges	2,000.00	400.00	1,600.00
			18.01	Hospitality and Entertainment	115,000.00	114,118.00	882.00
			24.03	Contributions-Provident Fund	690,000.00	678,833.00	11,167.00
			54.02	Office Equipment	480,000.00	477,061.00	2,939.00
				Total Sub-Activity			
				Total Current:-	12,380,000.00	12,084,123.82	295,876.18
				Total Capital:-	480,000.00	477,061.00	2,939.00
				Grand Total:-	12,860,000.00	12,561,184.82	298,815.18
		02		PARTICIPATION IN INTERNATIONAL CONFERENCE/ MEETINGS			
			001	RGOB Financing			
			11.02	Travel-Outside Bhutan	1,831,000.00	1,794,473.00	36,527.00
				Total Sub-Activity			
				Total Current:-	1,831,000.00	1,794,473.00	36,527.00
				Total Capital:-	0.00	0.00	0.00
				Grand Total:-	1,831,000.00	1,794,473.00	36,527.00
		03		MEDIA SERVICES			
			0001	RGOB Financing			
			17.08	Op.Exp.- In Country Meetings and Celebrations	150,000.00	98,332.00	51,668.00
			17.09	Op.Exp.-Survey/Census	120,000.00	66,638.00	53,362.00
			55.01	Professional Services	200,000.00	50,000.00	150,000.00
				Total Sub-Activity			
				Total Current:-	270,000.00	164,970.00	105,030.00
				Total Capital:-	120,000.00	50,000.00	150,000.00
				Grand Total:-	470,000.00	214,970.00	255,030.00
		04		TELECOMM SERVICES			
			0001	RGOB Financing			
			17.08	Op.Exp.- In Country Meetings and Celebrations	50,000.00	27,226.00	22,774.00
				Total Sub-Activity			
				Total Current:-	50,000.00	27,226.00	22,774.00
				Total Capital:-	0.00	0.00	0.00
				Grand Total:-	50,000.00	27,226.00	22,774.00

	05			RADIOCOMM SERVICES			
		0001		RGOB Financing			
			15.01	Maintenance of Property- Buildings	30,000.00	13,475.00	16,525.00
			15.05	Maintenance of Property- Equipment	30,000.00	11,200.00	18,800.00
			17.08	Op.Exp.- In Country Meetings and Celebrations	80,000.00	10,523.00	69,477.00
			17.09	Op.Exp.-Survey/Census	470,000.00	468,584.00	1,416.00
			55.01	Professional Services	850,000.00	785,643.00	
				Total Sub-Activity			
				Total Current:-	1,460,000.00	590,288.00	869,712.00
				Total Capital:-	850,000.00	78,5643.00	64,357.00
				Grand Total:-	2,310,000.00	1,375,931.00	934,069.00
	06			RURAL COMMUNICATIONS PROJECT(USF)			
		2503		Universal Service Fund			
			17.08	Op. Exp.- In Country Meetings and Celebrations	93,000.00	93,092	-92.00
			51.08	Exp. On Structure-Others	23,920,000.00	23,920,391.00	-391.00
				Total Sub-Activity			
				Total Current:-	93,000.00	93,092	-92.00
				Total Capital:-	23,920,000.00	23,920,391.00	-391.00
				Grand Total:-	24,013,000.00	24,013,483.00	-483
	07			CONSTRUCTION OF BICMA HEAD OFFICE BUILDING			
		0001		RGOB Financing			
			51.01	Expenditure on structure- Buildings	171,000.00	171,352.00	-352
				Total Sub-Activity			
				Total Current:-	0.00	0.00	0.00
				Total Capital:-	171,000.00	171,352.00	-352
				Grand Total:-	171,000.00	171,352.00	-352
				Total Activity:- Total Current:-	16,084,000.00	14,754,172.82	1,329,827.18
				Total Activity:- Capital Total:-	25,621,000.00	25,404,447.00	216,553.00
				Total Activity:- Total:	41,705,000.00	40,158,619.82	1,546,380.18



www.bicma.gov.bt

Bhutan InfoComm and Media Authority

Post Box No. 1072 | Olakha ,Thimphu : Bhutan.

Director's Tel. (direct): +975-2-322346, **EPABX:** +975-2-321506/321507/77190170, **Fax:** +975-2-326909

E-mail: bicma@bicma.gov.bt