



Enforcement order under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 against IJ Internet Services (Pvt.) Limited for Non-Commencement of Licensed Services

File No: PTA/Lic/Wireline/LL/IJ Internet/LL/RTR/980/2017/

Date of Show Cause Notice: 6th January, 2020
Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 19th February, 2020

Panel of Hearing

Mr. Amir Azeem Bajwa : Chairman
Mr. Muhammad Naveed : Member (Finance)
Dr. Khawar Siddiqui Khokar : Member (Compliance and Enforcement)

ORDER OF THE AUTHORITY

1. Precisely stated, the facts of the case are that IJ Internet Services (Pvt.) Limited (the "Licensee") was awarded non-exclusive Local loop license No. LL-57-2017/RTR dated 7th July, 2017 (the "license") issued by the Pakistan Telecommunication Authority (the "Authority") to provide the licensed services in the RTR region and to establish, maintain and operate a telecommunication system, subject to the terms and conditions in the license.

2. The licensee under prevailing regulatory laws comprising the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act"), the Pakistan Telecommunication Rules, 2000, (the "Rules") the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "Regulations") and the terms and conditions of the license is mandated to comply with same. Furthermore, the licensee as per clause 3.2 and 6.11 of the license, the licensee was under an obligation to obtain Commencement Certificate from the Authority and was also required to commence at least one Network Connection Point within eighteen (18) months from the date of issuance of license. It is pertinent to highlight that the licensee had filed an application dated 11th June, 2019 with the Authority seeking extension of time for obtaining commencement certificate. The Authority keeping in view the humble submission of the licensee granted an additional period of nine (09) months ending on 6th October, 2019 for meeting his rollout obligation and obtaining commencement certificate.

3. Due to failure on the part of the licensee for fulfilling his roll out obligations and obtaining commencement certificate as per terms and conditions of the licensee and despite being granted an additional period of nine (09) months, a Show Cause Notice (SCN) under section 23 of the Act was issued to the licensee wherein he was required to remedy the aforementioned contravention by obtaining Commencement Certificate **within seven (07) days** of the issuance of this show cause notice and also explain in writing, **within thirty 30 days** of the issuance of this notice, as to why

the license should not be suspended, terminated or any other enforcement order should not be passed against the licensee under Section 23 of the Act for the aforesaid contraventions.

4. Before passing an enforcement order under sub-section 3 of Section 23 of the Act, the matter was fixed for hearing on 19th February, 2020. The licensee in reply to the SCN submitted vide letter dated 26th January, 2020 informed the Authority that it was interested in establishing its local loop system in the licensed region. The reasons cited by the licensee for not being able to obtain commencement certificate are as follows:

- a. *Initially, we were trying to have an agreement with PTCL which was not done due to non-serious behavior of PTCL representatives. It took about more than eight (08) months but it was result less.*
- b. *Now we are trying to make agreement with REDtone Telecommunication Pakistan (Pvt.) Limited which is almost final but is delaying due to no objection certificate from Chaklala administration.*
- c. *The most serious issue is of my health. From the last year, I am facing kidney problems. As I also have my business in the UAE and as per the Doctor's advice, I am not allowed to travel frequently. So, it was a big reason for not to comply with.*

5. The hearing was attended by Mr. Jawad Ahmed, Lawyer / Counsel of IJ Internet Services (Pvt.) Limited and the same contentions as mentioned in the reply to SCN were reiterated. The Legal Counsel for the Licensee once again requested for extension of time for obtaining commencement certificate. The Authority keeping in view the background of the case, informed the licensee that a technical assessment shall be carried out at the premises of the licensee to inquire whether any technical work had been undertaken for commencing services. The licensee was also communicated that a four (04) months extension for commencing services may only be granted subject to a satisfactory report.

6. As per directions of the Authority, a meeting was called by the Licensing Division, PTA whereby the licensee was requested to present its technical plan on 27th February, 2020. The licensee did not attend this meeting. In furtherance to the hearing held on 19th February, 2020, a commencement inspection was conducted at the premises of the licensee. As per report generated it has been observed that no Network Operation Center (NOC) had been established by the licensee. Although the licensee had purchased the necessary equipment and submitted its purchase invoices without STRN/NTN of the equipment to the inspection team, he is yet to deploy required equipment in a technical capacity for the purposes of commencing services with regards to entering into Service Level Agreement (SLA). The licensee has submitted its e.mail correspondence with REDtone Telecommunication Pakistan (Pvt.) Limited and has also made reference to an initial draft for interconnect of 1000 numbers sent by REDtone Telecommunication Pakistan (Pvt.) Limited. In this connection, it is pointed out that the initial draft was submitted by REDtone Telecommunication Pakistan (Pvt.) Limited to the licensee on 25th November, 2019. Despite a lapse of over four (04) months no constructive and meaningful action has been taken by the licensee for finalizing this SLA. It is noteworthy to mention here that the licensee has also cited the impact of COVID-19 playing a crucial role for his not being able to travel to Pakistan from Dubai for the past two (02) months and being unable to carry out technical deployment of the equipment necessary for commencing services.

7. Keeping in view the ground and factual position, it seems that the licensee is required to fulfil several codal, procedural and technical formalities before being in a position for obtaining

commencement certificate. At present, he is far from discharging his obligations and responsibilities as per terms and conditions of his license.

7. **Order:**

7.1 Keeping in view the above mentioned facts coupled with the available record, the Authority hereby decided as under:

- a) The licensee has failed to fulfil his obligations in lieu of Clause 3.2 and 6.11 of the license terms and conditions. As a measure of last resort, the licensee is granted time till **20th June, 2020**, for ensuring that all codal, legal and technical formalities are complete for issuance of commencement certificate.
- b) In case of non-compliance of Para 7.1 (a) above, license No. LL-57-2017/RTR dated 7th July, 2017 of the licensee i.e., IJ Internet Services (Pvt.) Limited shall stand terminated without any further notice.
- c) All LDI, LL and Mobile licensees are directed to suspend all telecommunication facilities extended to the licensee pursuant to the license after **20th June, 2020** till further orders of the Authority.

Maj. Gen. Amir Azeem Bajwa (R)
Chairman

Muhammad Naveed
Member (Finance)

Dr. Khawar Siddique Khokhar
Member (Compliance & Enforcement)

Signed on **4th day of June, 2020** and comprises of **(03)** pages only.