



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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Consideration of Zonal Director (Karachi)'s recommendations for termination of license of M/s. Amtech (Pvt) Limited

File No.DIR(C)/L/PTA/286/2001

Date of Zonal Director's Determination: 2nd July, 2008
Date of Hearing by the Authority: 18th July, 2008
Venue of Hearing: PTA HQs, Islamabad

The Authority present:

Dr. Muhammad Yaseen: Chairman
S. Nasrul Karim Ghaznavi: Member (Finance)

The Issue:

“Recommendation of Zonal Director (Enforcement) Karachi for cancellation of license.”

Decision of the Authority

1. Brief Facts:

1.1. M/s Amtech (Pvt.) Limited (the “licensee”) is a private limited company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Vehicle Tracking Services pursuant to the non-exclusive license No.DIR(C)/L/PTA/289/2001 dated 16th October, 2001 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Vehicle Tracking Services in Pakistan subject to the terms and conditions contained in the license.

1.2. The Frequency Allocation Board (“FAB”) vide its letter No.FAB/R-6/2000 dated 12th February, 2001 approved the licensee’s proposal for establishment of Vector Track Stolen Car Recovery system at Karachi by allotting two frequency spots in 450-470 MHz band with the following technical parameters on non-interference basis:

System	Location/Coord	Tower Height AGL/AMSL(M)	Frequency
Base Station ‘A’	Rooftop Chappal Plaza 16 th Floor, Hasrat mohani Road Karachi 2451-E/6701-N	220/370 feet	Two channels of 25 KHz bandwidth

Remote Site 'B'	Lane No.7, House #20, sector-1, Naval Colony Karachi 2457-E/6656-N	200/250 feet	455.300 MHz (CH-1) 465.300 MHz (CH-2) Channel 1 is used as vector transmit frequency, FSK modulated with 4 watts power output from the aerial of the vehicles equipped with the system.
Remote Site 'C'	House no.10, Qasba Township Karachi 2459-E/6702-N	180/580 feet	
Remote 'D'	Plot No.R-79, sector-Q3, Gulistan-e-Maymar, Karachi 2501-E/6708-N	200/300 feet	Channel 2 is used for sector activation transmitters; FSK modulated with 100 watts through 7 –dBd-gain antenna.
Mobile Stations	Mobile		

1.3. In the year 2004 FAB replanned the aforesaid frequency spots and proposed the following frequency spots to the licensee vide its letter No.FAB/R-6/2000 dated 5th July, 2004:

Sr. No.	Allocated Frequency	Proposed Frequency
1.	455.300 (MHz)	458.650 (MHz)
2.	465.300 (MHz)	468.650 (MHz)

1.4. Under clause 4.13 of the license, the licensee is obliged to ensure that its services shall not cause any damage to or interference in any other system and network of a service provider licensed by the Authority. Under clause 3.11 and 3.12, the licensee was obliged to submit annual audited accounts as well to make the payments of annual license/regulatory fees.

1.5. The licensee was advised vide FAB's letter No.FAB/R-6/2000 dated 5th July, 2004 and 11th May, 2005 to tune its network according to the new proposed frequency 458.650-468. 650 MHz, but the licensee failed to retune the frequencies. Thereafter, the licensee was directed vide letters No.Dir ©/L/PTA/286/2000 dated 25th May, 2005 and 30th September, 2005 to retune the frequencies at the earliest, but the licensee failed to do the needful. In this regard FAB also wrote letters dated 12th February, 2007 and 14th September, 2007 but all in vain. In the meanwhile, PTA received complaints from M/s. World Call Limited regarding interferences in its assigned frequencies. PTA/FAB conducted survey and found that systems/services of the licensee were interfering with the system and services of World Call. The licensee was, therefore, required vide

letters dated 28th May, 2007, 14th September, 2007 and 4th December, 2007 to remove the interference and shift its system to the reassigned frequencies, but the licensee failed to comply with the directives of the PTA/FAB. FAB, vide its letter dated 04-12-2007 confirmed that M/s. Amtech (Pvt.) Limited was interfering with band, therefore, Zonal Director, Karachi vide letter dated 4th January, 2008 directed the licensee to stop use of the above stated frequency but no such action was taken by the licensee. Apart from the above, the licensee has also failed to pay balance Annual License Fee amounting to Rs.3,732,763/- to the Authority. Therefore, the licensee was show caused by Zonal Director (Enforcement) Karachi vide letter dated 28th April, 2008 to remedy the contravention and to submit reply within thirty days. The licensee submitted reply to the notice vide its letter dated 5th May, 2008, which was found unsatisfactory, therefore, the licensee was called for a hearing on 12th June, 2008 by the Zonal Director (Enforcement) Karachi. In response to the aforesaid hearing notice, the licensee vide its letter dated 3rd June, 2008 while confirming its intent to attend the hearing, stated that it had already submitted the reasonable justification of violations and that show cause notice is arbitrary and unilateral.

1.6. In the hearing the licensee was represented by Lt. Col. (R) Tanvir Khan, GM (South) and Mr. Hassan Akhtar Zaidi, MD. Since reply to the show cause notice was incomplete, the licensee requested for extension of time which was granted till 30th June, 2008 and submitted its detailed reply on 30th June, 2008 wherein it took the stance that their system was designed by its principal (M/s. Pegasus Technologies Inc. USA). The system hardware was designed after they had communicated their allotted frequencies. Before the frequencies were allotted to them by FAB, they had provided complete technical information to FAB about their system. The system and the components to be used were vetted by relevant department of FAB and PTA. This system analysis was carried out well before the allocation of the frequency. It was further stated by the licensee that as a corporate decision by their head office, they have decided to switch over to the satellite system completely because of the difficulties being faced with their radio based system. However, exercise of calling in customers to switch over is time consuming and expensive and that they have already changed a considerable number (no figures have been given) of their installed systems and will continue to do so in a reasonable time depending on the response of the customers. The Zonal Director after hearing of arguments, perusal of record and reply submitted by the licensee passed the determination dated 2nd July, 2008 and recommended cancellation of the licence. Order of the Zonal Director is reproduced below:

“After hearing the arguments as well as perusal of written reply and record, the undersigned has arrived to the conclusion that the contemptuous and irresponsible attitude of the licensee as well as disregard shown towards the writ of the Authority, its proceedings and particularly not complying the directives of the authority and nonpayment of outstanding dues of the PTA are violations of mandatory provisions of Pakistan Telecommunication (Re-organization) Act, 1996, Pakistan telecommunication rules, 2000 and clause 3.11, 3.12, and 4.13 Part-4 (General condition) of the license. the violations/contravention of the licensee is grave and persistent in nature, therefore, the licensee is entitled for major penalty of cancellation of its license”

1.7. Pursuant to the above referred recommendations, a hearing notice dated 4th July, 2008 was issued to the licensee, requiring it to appear before the Authority on 10th July, 2008, which was adjourned on the written request of the license and finally hearing was fixed for 18th July, 2008. Mian Ahmed Irfan (chairman) and Mr. Chaudhry Nasir Bhadhar (CEO) of the licensee attended the hearing. The representatives from FAB were also present and Zonal Director (Enforcement) Karachi attended the hearing through video conferencing. During the hearing the licensee reiterated the same facts as mentioned in Para 1.6 above and also mentioned the

problems/factors that make it practically difficult to retune its system to the new frequencies and vacate the already allocated ones. The licensee also informed that it has no plans to continue with selling of radio/sets to its customers any more. During the hearing it was also found that the licensee was illegally using frequencies in Lahore as well. Regarding the outstanding payments the licensee was directed to make the payments immediately. FAB was directed to conduct monitoring and provide report thereof by 23rd July, 2008 and Finance/RBS Division to calculate the payable dues and inform the licensee for making the payments of outstanding dues. Pursuant to the hearing a meeting was also arranged with the licensee on 6th August, 2008 to address the payment including other issues. During the meeting it transpired that the licensee's application dated December, 2005 regarding conversion of its Vehicle Tracking Services license to CVAL Data license was pending, hence, it was allowed subject to payment of fee @0.5%. The licensee made the payments of Rs.11,04,292/- for the period upto 30th June, 2007 vide Pay order No.1577735 dated 12th August, 2008 and its license No.DIR(C)/L/PTA/289/2001 dated 16th October, 2001 was converted to Data Class Value Added Service license vide No.DIR (L) CVAS-270/2007 dated 18th August, 2008 for the remaining period. However, the licensee failed to provide copy of the approval granted by the Authority to the licensee regarding using frequency spots in Lahore.

1.8 The licensee was also found using 200KHz in Karachi instead of 25 KHz and was, therefore, directed to restrict its system to 25KHz.

1.9. FAB, pursuant to the directions of the Authority conducted its monitoring at Karachi and Lahore and submitted its report vide letter No.NFMMS-88/2008/PTA/4931 dated 23rd July, 2008: The results of the reports are as under:

Karachi:

S#	Freq (MHz)	BW (KHz)	Level (dBu/m)	Site/Location of M/s. Amtech Tower	Coordinates	Scans
a.	455.3	63	90.7	P.E.C.H.S, 38-F, Block 6 Karachi	67 49.0 E 24 51 54.0	1
b.	455.3	53	48.7	Qasba Town Nusrat Bhutto Colony Karachi	67 2 39.0 E 24 57 29. 0 N	2 & 3
c.	455.3	31	38.5			
d.	455.3	22	29.9	Chapal Plaza I.I Chundigarh Road karachi	67 0 7. 0 E 24 51 0. 0 N	4 & 5
e.	455.3	22	33.3			
f.	455.3	64	109.3	Baldia, Bakra Mandi Hub Road near Navel Colony	66 55 59.0E 24 57 1.0 N	6
g.	455.3	62	90.4	Ahsan Abad, Gulshan-e-Maymar	67 6 44.0 E 25 0 29.0 N	7

Lahore:

S#	Freq (MHz)	BW (KHz)	Level (dBu/m)	Site/Location of M/s. Amtech Tower	Coordinates	Scans
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a.	455.3	30	61.4	Snooks Garments near Darul Hikmat school Industrial Area Nishter Colony Lahore	74 22 20.0 E 31 24 56.0 N	8-9
b.	455.3 25	20	22.1	Qasba Town Nusrat Bhutto Colony Karachi		
c.	455.3	26	50.7	Amtech (Pvt) Ltd Ajerton Road Lahore	74 20 3.0 E 31 33 44 N	10-11
d.	455.3 25	20	27.2			
e.	455.3	32	50	Treet Corporation Ltd Factory 72. B Industrial Area Kot Lakhpat Lahore	74 19 55. 0 E 31 27 28.0 N	12-13
f.	455.3 25	24	31.3			
g.	455.3	30	61.2	Iqbal Colony Mohallah Wandialah near Dial shah	74 15 52.0 E 31 38 14.0 N	14-15
h.	455.3 25	20	27.6	Gravyard Shahdara lahore		

2. Findings:

- 2.1. The Licensee has made payment of the outstanding dues as per the details given in para 1.7, above. The Licensee's contravention of the terms and conditions of the license, on this count, is rectified and the charge of being a defaulter of the Authority as leveled in the Show cause notice is thus disposed of as withdrawn.
- 2.2. The foregoing also shows that the licensee is using frequency spots illegally and without required authorization, in Lahore which is not only violation of the provisions of the Act but is also causing serious interference to the systems/services of the other licensed WLL operators. However, since the same is not subject matter of the instant show-cause notice, the same shall be taken up in separate proceedings under section 23 of the Act. The licensee is also using much more range of KHz frequency in Karachi and for that purpose has also installed certain towers at certain locations without approval of the Authority, and that the licensee has not deliberately retuned its systems to the alternate frequencies despite repeated requests/directive of the Authority.

3. Order

- 3.1. The Authority, after careful perusal of record and keeping in view the facts/arguments and circumstances of the case dispose of the show cause notice in the following terms:
- (a). the licensee is directed to retune its system to the new frequencies assigned to the licensee vide FAB's letter dated 5th July, 2004 by 25th November, 2008 and submit compliance report accordingly.
- (b). In the meantime the licensee is directed to restrict its systems/operations to the assigned limit of frequency of 25 KHz and remove its all towers for which no approval has been granted by the Authority.

- (c). In case of failure on the part of the licensee in complying with the aforesaid orders within the period mentioned above, the license No.DIR (L) CVAS-270/2007 dated 18th August, 2008 shall stand terminated w.e.f. 26th November, 2008.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Chairman

Signed on 15th October, 2008 and comprises six pages.