



PAKISTAN TELECOMMUNICATION AUTHORITY

Headquarters, F-5/1 Islamabad

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No. 15-58/07(CA)/PTA

May 7, 2007

**DETERMINATION ON MOBILE NUMBER PORTABILITY – ONWARD  
ROUTING CHARGES**

Date of Hearing: 20<sup>th</sup> March, 2007  
Venue of Hearing: PTA H/Qs, Islamabad

**The Authority Present:**

Maj Gen. (R) Shahzada Alam Malik	Chairman
S. Nasrul Karim Ghaznavi	Member
Dr. Muhammad Yaseen	Member

**The Issue:**

“Mobile Number Portability – Onward Routing Charges”

**Determination of the Authority passed afresh after re-hearing the parties in light of the hon’ble Lahore High Court, Rawalpindi, ’s order dated 11.01.2007 passed in FAO No.189/2006**

**1. BRIEF BACKGROUND:**

1.1 The Government of Pakistan issued Mobile Cellular Policy (the “Policy”) in January 2004 with the objectives to promote private investment and increase choice for customers of cellular mobile services at competitive and affordable prices. The Policy required the Pakistan Telecommunication Authority (the “Authority”) to initiate consultation process on the implementation of Mobile Number Portability (MNP) with

the aim to implement number portability within two years of the notification of the Policy.

1.2 Clause 6.8 of the Policy provides that “PTA will determine, in consultation with the industry, the most appropriate method of implementing number portability and establish rules for its implementation. To provide flexibility to consumers, all mobile licensees shall implement number portability, according to the Authority’s requirements and guidelines. Although there may be a one-off charge for porting a number, there should be no additional on-going charges related to porting the number”.

**Emergence of the Issue:**

1.3 Keeping in view the Policy provisions as described above, the Authority initiated consultation process on MNP. The Authority as directed through the Policy and with a view to implement MNP, issued and notified the MNP Regulations (the “MNP Regulations”), on 4<sup>th</sup> July, 2005.

1.4 The issue of Onward Routing Service (ORS) was first raised in a meeting held with the Cellular Mobile Operators (CMOs) in early 2006 wherein it was noticed that due to some delays in upgrading of network, PTCL would not be able to comply with the deadline for the launch of MNP facility. It was decided during the meeting that CMOs would provide ORS to PTCL for which they would be compensated through charges. Keeping in view the delays in upgrading of PTCL network, it was decided that all CMOs would provide ORS not only to PTCL but also to other fixed line licensees who may not opt to upgrade their networks.

1.5 The issue of charges for providing ORS was initially discussed at the Pakistan Mobile Database (PMD) level and the CMOs were requested to submit proposals regarding ORS. Following table shows the summary of the costs provided by the CMOs:

S. No.	CMO	Upfront costs	Onward Routing Charges (ORC)
1	Telenor	Not specified	Rs. 0.10/min (Transaction) +Rs. 0.10/min (transit for metro) = <b>Rs. 0.20/min</b>  Distance based transit charges as per PTCL RIO
2	Warid	Not specified	<b>Rs. 2.00/min</b> (Transit through Far-end Pol) <i>or</i> <b>Rs. 1.25/min</b> (Transit through Far End MSC)
3	Ufone	Not specified	<b>Rs. 1.25/min</b>
4	Paktel	Acknowledged but not specified	<b>Rs. 1.50/min</b>
5	Mobilink	\$ 4.7 Million	<b>3.60/min</b>
6	Instaphone	Not provided	Not provided

### **Consultation with the Stakeholders:**

1.6 Due to the inability of the CMOs to agree on common terms and conditions, the matter was further taken up by the Authority to resolve the matter through consultations with the stakeholders.

1.7 The CMOs demanded that as they are not obliged to provide the ORS under the MNP Regulations and since this is an additional facility that they are being forced to provide therefore, market based charges should be allowed to them. However, the Authority considered these charges as exorbitant. Several meetings were held with the CMOs individually as well as collectively with a view to rationalize the proposed charges and bring them at a level that is indicative of the costs involved in providing these services. While some of the CMOs stressed that these charges should be market based, they were informed by the Authority that these charges have to be cost based reflecting the network elements used in providing ORS.

1.8 Though not a formal hearing in the strict legal sagacity, but a few meetings were also held with the fixed line operators wherein their input was also sought so as to determine the level of Onward Routing Charges (ORC) prior to issuance of the impugned order. In these meetings most of the operators insisted that the introduction of MNP facility is not for fixed line operators and, therefore, they should not be burdened with these charges. PTCL also claimed that it has invested in its network to facilitate the implementation of MNP in Pakistan. However, it also asserted that it would not pay the CMOs any charge during the time when its network is not ready.

### **Formation of Committee by the Ministry of Information Technology (MoIT):**

1.9 A meeting was held in MoIT on October 13, 2006 to review the progress and issues related to MNP implementation and it was decided that the charges for providing ORS will be decided by a committee comprising of the following:

a.	Chairman PTA	-	Chairman/Convener
b.	Member (Finance) PTA	-	Member
c.	Rep from MoIT	-	Member
d.	CEO Telenor	-	Member
e.	DG (CA), PTA	-	Member
f.	MD PMD	-	Member
g.	Director (Eng), PTA	-	Member
h.	Director (CA), PTA	-	Member/ Secretary
i.	Rep from Mobilink	-	Member
j.	Common Rep from LDIs	-	Member
k.	Common Rep from WLLs	-	Member
l.	Common Rep from FLLs	-	Member

1.10 The aforesaid committee during its meeting on October 29, 2006 decided the following issues:

- (a) the cellular mobile operators shall provide onward routing facility to fixed line networks free of cost for the first two months from the date of implementation of Mobile Number Portability; and
- (b) subsequently, the onward routing charges for fixed to mobile calls shall be Rs.0.30 per minute to be paid by the originating fixed line operator to the mobile operator providing onward routing facility. This arrangement shall be initially applicable up to December 2007 and may be reviewed if circumstances so warrant.

1.11 The decisions of the committee were concurred by the Authority. However, M/s Worldcall Telecom Ltd., the only appellant, challenged the order/decision of the Authority in the honorable Lahore High Court, Rawalpindi Bench mainly on the ground that it was not given an opportunity of hearing.

## **2. SCOPE OF THE INSTANT DETERMINATION AND COURT'S ORDER REGARDING THE AUTHORITY'S PREVIOUS DETERMINATION ON THE ISSUE:**

2.1 Through this determination the Authority, under orders of the honorable High Court, desires to reconsider and re-settle the issue of ORC after re-hearing the parties in order to successfully implement the Mobile Number Portability facility as mandated and required in the Policy.

2.2 The Authority earlier, while exercising its functions and powers through its Director (Commercial Affairs), determined vide order dated 2<sup>nd</sup> November 2006 (the "impugned order") that Rs.0.30 per minute charges are to be paid by the origination Fixed Line Operator (FLO) to mobile operator providing onward routing facility. However, being aggrieved of the said order, only M/s Worldcall Telecom Limited, at first, preferred an appeal before the Authority on 1<sup>st</sup> December 2006, which however, was withdrawn with a view to file appeal under section 7(1) of the Pakistan Telecommunication (Re-organization) Act, 1996 (the "Act") before the honorable Lahore High Court. M/s Worldcall then challenged the impugned order by preferring an appeal before the Lahore High Court, Rawalpindi Bench, Rawalpindi in F.A.O. No.189/2006 against the Authority's determination referred to above, with the prayer to set aside the impugned order. Upon filing of application for early hearing by the Authority, the main appeal came up for hearing before his lordship Justice Abdul Shakoor Paracha, J. on 11-01-2007. The honorable High Court, after hearing the parties on the said date, set aside the impugned order, with consent of both the parties, and remanded the case back to the Authority with the direction to decide the case afresh after giving an opportunity of hearing to the parties.

### **3. RELEVANT PROVISIONS:**

3.1 Before deliberating on the issue in detail, it would be of much help to go through the relevant/applicable provisions of the terms and conditions of the LDI license and MNP Regulations which are reproduced below:

#### **Compliance with Law:**

Clause 3.1 regarding “Compliance with Law”, sub-clauses 3.1.2 & 3.1.3 of the Long Distance & International (LDI) License provides as under:

*“The Licensee shall establish and operate its Telecommunication System to provide the Licensed Services, in compliance with the laws of Pakistan”, and*

*“The Licensee shall at all times co-operate with the Authority and its authorized representatives in the exercise of the powers, functions and responsibilities assigned to the Authority under the Act. The Licensee shall comply with all orders, determinations, directions and decisions of the Authority”.*

#### **Network Standards:**

Clause 6.9 regarding “Network Standards”, sub-clause 6.9.2 of the Long Distance & International (LDI) License provides as:

*“The Licensee shall ensure that its network is at all times interoperable and interconnectable with the networks of other Operators. If the Licensee implements any new equipment or protocols in its network, the Licensee shall bear the cost of any modifications to its network to maintain such interoperability and interconnectability with the networks of other Operators”.*

#### **MNP Regulations:**

Clause 13(2) of Mobile Number Portability Regulations, 2005 (the “MNP Regulations”) provide that:

*“All Operators as well as PTCL, NTC, SCO and other FLL/WLL/LDI service providers shall upgrade their network in terms of hardware and software to support MNP as per the ITU-T recommendations and other standardization bureaus to provide all telecommunication services to protect subscribers”.*

Furthermore, proviso to clause 4(2) of the MNP Regulations states that *“under no circumstances shall a Donor Operator be obliged to carry or handover calls made to ported Subscribers by or from third party networks to Recipient Operator’s network unless mutually agreed”.*

#### **4. HEARING ON THE ISSUE:**

4.1 Since the Authority has been directed by the honorable High Court to decide the case afresh after granting opportunity of hearing to the parties, a hearing was convened by the Authority on March 20, 2007 on the issue. All Local Loop Licensees, LDIs (including M/s Worldcall), Cellular Mobile Licensees, NTC, SCO and PMD were duly informed of the said hearing.

#### **Participants at the hearing:**

4.2 The following attended the hearing:

Mr. Gul Ahmed GM (RA), from PTCL's side. Brig. (R) M Azhar, Col. Amjad from SCO, Muhammad Saleem from M/s Dancom, Mr. Mikalai Kagutsevich and Major (R) Muhammad Kamil Khan form Great Bear International Services/Diallog, Mr. Shahid Siddique and Mr. Sohail Qadir from Worldcall Telecomm, Mr. Umar Bin Irshad from Redtone, Mr. Wahaj us Siraj, Mr. Ahmed Afzal from M/s Nayatel, Mr. Fawad Bhatti, Mr. Mujtaba Shahid, Mr. Hohnsin A. Qazi, from M/s Burraq Telecom, Mr. Wasim Ahmad from M/s WISE Comm, Mr. Niaz Borhi Mr. Agha Qasim, Brig. (R) F R Adhami, Mr. Salman Chima and Mr. Shahid Kalim, M/s from Mobilink, Mr. Tariq Sultan, from Link Direct, Mr. Farooq Mushtaq, Mr. Nadeem Akhtar from M/s Wateen Telecom, Mr. Asif Rumi and Ms. Samreen Iqbal from M/s Warid Telecom, Maj. Gen. (R) Hamid Hasan Butt, Mr. Taser Aman Khan, Mr. Sahibzadah Uzair Hashim (Advocate) from M/s Ufone, Mr. Syed Waqas Gilani from M/s Circle Net, Mr. Shahid Abbasi M/s Instaphone, Mr. Ali Sadozai and Mr. Majid E. Khan M/s from Telenor Pakistan, Mr. Amer Shahzad from M/s PMD, Mr. Umar Arif from M/s 4BGentel, Mr. Aslam Khan from M/s Callmate Telips and Dr. Arshad Siddiqi CEO PMD.

#### **Points raised by the Parties and the Authority's findings on each point:**

4.3 The points/objections raised by the parties during the hearing and the Authority's findings on each point are summarized below:

#### **M/s WORLDCALL TELECOM LIMITED**

4.4 M/s Worldcall Telecom Limited ("WTL") was represented by Mr. Sohail Qadir alongwith legal counsel Mr. Ahmad Hussain. WTL welcomed the introduction of MNP and submitted that with implementation of MNP the ultimate beneficiaries are the end users and CMOs. It further added that since the fixed-line operators are not the beneficiary party so the ORC should not be levied on them. Objection/point wise submissions of WTL with the Authority's findings are as under:

i. Technical Objection:

WTL stated that it is beyond doubt that the entire benefit of MNP will accrue to mobile companies and their customers. A major barrier to customers shifting service providers will be removed. This will enable mobile companies to increase their customer base through improved service. Customers will also have enhanced choice and will be able to shift service providers whilst retaining their numbers. Since the entire benefit of MNP would accrue to mobile companies and their customers, the regulator (the “PTA”) did not involve any fixed-line operators in discussions that took place regarding the technical methods to be adopted for implementation of MNP and for the overall structure. It was submitted by WTL that this was entirely appropriate since this whole issue had nothing to do with fixed-line operators.

WTL maintained that as the Authority must be aware, there are various technical methods available for implementing call routing in the case of MNP. These technical solutions can broadly be divided into two categories. There is an All Call Query Method where a call is routed directly from the originating network to the correct terminating mobile network. Second, there is solution which requires the mobile network that was originally associated with a given number to be involved in routing of the call to the correct terminating network.

WTL further submitted that the second solution is capable of being implemented in a variety of ways. There is a simple onward routing where the mobile network originally associated with the number identifies the correct terminating network. There is also a call drop back method where the mobile network originally associated with the number checks if the number is ported and if it releases the call back to the originating network together with information identifying the correct terminating network. There is also a query on release method where the mobile network originally associated with the number identifies that the number is ported and returns a message to the originating network identifying that the number has moved. The originating network then queries a database to obtain information identifying the correct terminating network.

Each of these different technical solutions has different fixed and variable cost implications. Generally speaking, the variable costs associated with onward routing methods are higher than the variable costs associated with the All Query Method.

WTL stated that the purpose of highlighting the multifarious technical solutions available is to illustrate that it is a question of judgment regarding as to which solution to implement. In exercising this judgment, the PTA very properly obtained input from the mobile operators and a special purpose vehicle has also been established with each of them as shareholders. However no input was sought at any stage from any fixed-line operators or from other members of the telecommunication industry. It was submitted that this arrangement was entirely proper as long as it was did not propose to recover any of the costs associated with MNP from other members of the industry.

The Authority's findings on the objection:

M/s Worldcall's stance that the Authority did not involve any fixed-line operators is not based on facts as the MNP Regulations, 2005 were framed after consultation with all stakeholders and the draft regulations were also placed on PTA's website for feedback by the operators, prior to their final notification. It may also be noted that the technical system was approved keeping in view the international best practices and PTCL was also involved from the beginning keeping in view that its network is the most extensive and would thus require more time to comply with the implementation schedule of MNP.

ii. Introducing the MNP project without hearing:

WTL stated that if it was proposed to recover part of the costs of MNP from fixed line operators, then clearly they should have been heard at the time technical solutions for implementing MNP were being finalized by the PTA. Since they were not given a hearing, it is not fair at this stage to seek to recover costs from them in respect of MNP. The PTA and the mobile companies cannot themselves come up with a solution without hearing the fixed line operators and then seek to impose part of the costs of the solution on these fixed line operators. Clearly the mobile companies would have a conflict of interest in such a situation. Their incentive would be to impose a solution which minimizes fixed costs and then to try and recover part of the variable costs from other operators.

A second connected point is regarding the quantum of the costs. Who determines this quantum and how is it determined? The previous determination of the PTA proposed that an onward routing charge of 30 paisas per minute be paid by the originating fixed line operator to the mobile operator providing the onward routing facility. The fixed line operators have no idea how this figure has been calculated and what proportion of the total cost it represents. Who determines what the cost of onward routing is? If the mobile companies have determined the cost of onward routing then there is a clear conflict of interest. They have no incentive to minimize this cost if they can recover part of it from fixed line operators. This is not a transparent or independent process of determination of costs.

The Authority's observation on the foregoing point:

The fixed line operators although are required to comply with the Regulations issued by the Authority from time to time and in this regard, they were also invited by the PMD for an Operators Awareness Meeting on July 11, 2006. In addition, several meetings were also held by PTA with the fixed line operators to discuss the ORC. It is therefore, not appreciable that the fixed line operators deny any knowledge of the technical solution for the implementation of MNP. It is therefore, also the responsibility of the fixed line operators to have compared the option of investing and upgrading their networks with the option of paying the ORC keeping in view the fact.

iii. Mobile operators—the real beneficiaries and not the fixed line:

The third objection raised by WTL was on the point that the real beneficiaries of MNP are the mobile operators and not the fixed line operators. WTL made an attempt to justify its said objection by maintaining, firstly, that as a general principle it is desirable that costs should be borne by the entity who benefits from the relevant service. Neither fixed line operators nor their customers benefit from onward routing of ported numbers. It is therefore unfair for this cost to be recovered from any party other than mobile companies.

Secondly, that costs should be borne by the party who has caused the cost to be incurred. The reason this cost has been incurred is because the customer of the mobile company has ported his number. Since the cost was caused by the porting, it should be recovered from the customer who ported his number or from the mobile sector which benefits from porting.

Thirdly, the costs should be recovered in a manner, which encourages cost minimization. The fixed line operators have absolutely no control over the quantum of the costs. The costs should be recovered from the entity that incurs them.

Finally, the costs should be recovered from those who benefit from the relevant service. Benefits from MNP accrue to customers porting their numbers and also to mobile customers and mobile companies in general through increased competition in the mobile market.

The Authority's findings:

In order to implement MNP, as mandated under the Policy, the Authority formulated MNP Regulations in July 2005 in consultation with stakeholders. These Regulations obliged all the operators (including fixed-line operators) to upgrade their networks in terms of hardware and software to support MNP. Clause 13(2) of MNP Regulations states that *“All Operators as well as PTCL, NTC, SCO and other FLL/WLL/LDI service providers shall upgrade their network in terms of hardware and software to support MNP as per the ITU-T recommendations and other standardization bureaus to provide all telecommunication services to protect subscribers.”*

If the fixed line operators choose not to upgrade their networks to detect the ported number network then they are responsible for using the ORS that would consist of duplication of switching as well as dipping costs etc.

iv. Recovery of cost from the fixed line customers:

The next objection raised by WTL was that there is no practical way in which these costs can be recovered by fixed line operators from their customers. In the case of pre paid customers, this cost cannot be recovered because when the call is made and the customer debited there is no way of knowing whether the number is ported or not.

Second, in the case of post paid customers, imposing this cost would go against the principle of tariff transparency. It is desirable that whenever a customer makes a call he should know the amount he is going to be charged for the call. If this cost is imposed and recovered from customers, tariff transparency will diminish. If this cost is recovered generally from fixed line customers, then this would clearly be unfair since many fixed line customers may not dial any ported numbers at all and therefore would not be contributing in any way to the incurring of this cost.

On the aforementioned point WTL maintained that the fixed-line operators will not be in a position to independently verify any bill the mobile companies may send them for these charges. How do fixed line operators know whether a number is ported or not? Will details of the entire database regarding ported numbers be made available to fixed line operators? WTL argued that practically it will be difficult for fixed line operators to verify the contents of any bill the mobile companies may send.

The Authority's response on the issue:

WTL is perhaps not clear about the relevance of ORC with retail tariffs. ORC is to be settled through interconnection settlement and the costs associated with ORS will be averaged out to determine overall tariffs of a fixed line operator. The subscriber of a fixed line operator is not required to pay the ORC if the call originating fixed line operator does not have ability to detect the ported network. However, it is the responsibility of the service providing fixed line operator to be enabled to detect the ported network. The retail tariffs would in principle incorporate the ORC just as they would have reflected the depreciation of network alteration and operational expenditure in case a fixed line operator had chosen to upgrade its networks. Even if a fixed line operator upgrades its network to detect the ported network it will not be allowed to charge a different tariff to its subscriber (to recover the network alteration and related operational costs incurred to detect the ported network) for calls that end up to a different network than what is apparent from the number dialed.

Moreover, provisioning of ORS is essentially not the preferred option and is thus not free of limitations. However, it can be ensured that the charges are transparent and verifiable for the satisfaction of the fixed line operators.

v. Recovery of cost from fixed line operators:

WTL also argued that there are very strong theoretical and practical arguments which support the view that all onward routing charges in connection with MNP should be recovered from the mobile companies. WTL maintained that the strongest argument is a simple argument of fairness. It is not fair that this cost should be recovered in part from fixed line operators.

WTL further prayed that the Authority has determined mobile termination rate of Rs.1.25 per minute to compensate for B-leg. In case of ported numbers, the CMOs would be saving A-leg; therefore, the CMOs should not be allowed to charge ORC.

Regarding implementation of MNP, WTL submitted that no information pertaining to STP was given by PMD to LDI operators. Worldcall urged PTA not to require payment of any onward routing charges from fixed line operators to mobile operators.

The Authority's findings on the point:

The theoretical and practical reasons regarding bearing of costs associated with ORS have been resolved in principle by the Authority through its MNP Regulations and it is beyond any doubt that additional costs incurred by the donor networks under MNP to route the calls for a fixed line operator have to be recovered, specially the one which are duplicate in nature. Since some of the fixed line operators only handover calls at the MSC level just like the inter CMO traffic, the argument of saving is not plausible as mobile termination rates have been determined irrespective of point of handing over of call at far end MSC or far end point of interconnection that can result in cost savings if compared to each other.

**M/s GREAT BEAR (PVT.) LTD.**

4.5 M/s Great Bear emphasized that charges for ORS should be adjusted in the existing Mobile Termination Rates (MTR). By doing this it will have negligible impact on onward routing. They were also of the view that separate ORC would require additional investments in billing systems to ensure online verification of Onward Routed Calls that would stress the already burdened fixed line operators.

The Authority's findings: If ORC could be included in the MTR it would discourage those fixed line operators who have invested in upgrading their networks. However, it can be considered that two sets of MTR may be determined for fixed line operators, i.e. those who upgrade their networks and those who do not upgrade their networks. As far as investing in billing systems is concerned, the Authority is of the view that almost similar investments would be required to upgrade the network to detect ported networks under MNP. Therefore, the fixed line operators are encouraged to upgrade their networks. As stated above if the fixed line operators choose to opt for availing ORS then there may be some limitations. However, it can be ensured that the charges are transparent and verifiable for the satisfaction of the fixed line operators.

**M/s BURRAQ TELECOM**

4.6 M/s Burraq Telecom submitted that the ORC are inflated as PTCL is only charging 10 paises for transit facility and the cellular mobile operators are allowed to charge 30 paises, which is unfair. They sought clarification from the Authority whether

they could also link their networks with the Data Base maintained by the Pakistan Mobile Database (PMD). They submitted that they should be allowed to have direct link with PMD on technology neutral basis as they intended to route ported calls on their own.

The Authority's reply: As mentioned above upgrading of the network by the fixed line networks is a preferred mode and all fixed line operators are advised to contact PMD to sort out the details. It is not appropriate to compare PTCL's transit charges with the costs reflected in ORS as leased line cost is also incurred while providing ORS, whereas in case of PTCL the transit charges vary on distance wise basis.

#### **M/s NAYA TEL**

4.7 M/s Naya Tel stated that there is no growth in terrestrial LLOs whereas the CMOs are expanding their networks and customers. It also requested the Authority to waive ORC till cost-based charges are determined. In addition, it submitted that termination rates for fixed as well as cellular network should be brought to the same level.

The Authority's findings: The CMOs have already agreed to provide free of cost ORS for first two months and keeping in view the motive for profit while making investments it is not possible to expect or to impose free of cost provisioning of ORS.

#### **M/s MOBILINK**

4.8 M/s Mobilink, on behalf of the CMOs, presented its point of view and explained that the fixed line operators will also benefit from MNP as their subscribers will not face the inconvenience that is caused when a mobile subscriber shifts from one network to another. In addition, it also contested the view point of LDIs saying that by routing recipient network's calls donor networks will be utilized and therefore, a charge is justified. It also informed the Authority that they had reluctantly accepted the ORC at Rs. 0.30 per minute. It emphasized that for longer term, the LDI operators should upgrade their systems and should not tax donor operators. It also referred to clause 6.9.2 of the LDI License, which required all LDI operators to upgrade their networks for interoperability.

The Authority's reply: While the Authority appreciates the willingness of the CMOs to provide ORS it would also like to remind the CMOs that the inter operator charges such as ORC would continue to be regulated on the principles of cost and not on the basis of opportunity costs.

#### **M/s WARID TELECOM**

4.9 M/s Warid Telecom contested / rebutted the argument regarding saving of one-leg charges for cellular mobile operators. In addition, it clarified that the transit charges for NWD are higher than local transit available to fixed-line operators. It also submitted that CMOs pay cascade NWD charges whereas fixed retail charge is being recovered from the end-customers.

## PAKISTAN MOBILE DATABASE

4.10 PMD refuted the allegation that it has not provided the relevant information to the fixed line operators and informed that they will provide all necessary details to the fixed line operators. However, it should not be expected to approach each and every fixed line operator itself. PMD also clarified that fixed line operators can not be provided the database of mobile numbers as it is considered confidential information.

### 5. AUTHORITY'S POINT OF VIEW:

5.1 The Authority is of the view that all operators should upgrade their networks in accordance with the MNP Regulations, as CMOs are not mandated to provide ORS. According to clause 13(2) of MNP Regulations *“All Operators as well as PTCL, NTC, SCO and other FLL/WLL/LDI service providers shall upgrade their network in terms of hardware and software to support MNP as per the ITU-T recommendations and other standardization bureaus to provide all telecommunication services to protect subscribers.”*

5.2 Furthermore, the LDI licensees are also under obligation to alter their network as per direction of the Authority. Clause 6.9.2 of LDI license states *“The Licensee shall ensure that its network is at all times interoperable and interconnectable with the networks of other Operators. If the Licensee implements any new equipment or protocols in its network, the Licensee shall bear the cost of any modifications to its network to maintain such interoperability and interconnectability with the networks of other Operators.”* In addition, clause 3.7.1 of LDI License states *“the Licensee shall, within such reasonable time and in such manner as may be directed by the Authority, and at its own expense, alter the course, depth, position or mode of attachment of any apparatus forming part of its Telecommunication System.”*

5.3 The Authority has also noted that the fixed-line operators have contested the ORC as proposed by the CMOs. Thus, it becomes imperative on the Authority to intervene, while keeping in view Section 5(2)(h) of Act, which provides that *“The Authority shall provide guidelines for, and determine, the terms of interconnection arrangements between licensees where the parties to those arrangements are unable to agree upon such terms”*.

5.4 The Authority recognizes that some operators may find it burdensome to upgrade their networks and therefore, appreciates the willingness of CMOs to provide ORS. The Authority is also cognizant of the fact that these charges should be cost based inclusive of a profit margin in accordance with the provisions of the Act and internationally accepted principles and practices.

5.5 In this regard, the Authority has strived to gather international best practices and has observed that the charging principles vary from country to country and is dependent on the country specific scenario. The Authority has also found that in many countries it is not obligatory upon the licensees to provide ORS whereas in some countries ORS is the basic minimum requirement.

5.6 For detailed assessment of cost determination the Authority feels that the input provided by CMOs is not sufficient enough to determine the charges and in the absence of traffic forecast that is required to be onward routed, it is not possible to accurately determine cost based charges.

5.7 The Authority has engaged a Consultant with the assistance of World Bank for determining the cost based interconnection charges of CMOs. The study being carried out by the Consultant is expected to be concluded by June 30, 2007. After the conclusion of costing study it would be possible for the Authority to work on reliable costing estimates for providing ORS by CMOs. By this time traffic volumes would also be available that are also a critical input for arriving at the cost estimates for such services.

## **6. THE AUTHORITY'S DECISION:**

6.1 After hearing the parties/all concerned i.e. LDI operators and CMOs at length again under the orders of the hon'ble Lahore High Court, Rawalpindi Bench and by keeping in view the aforementioned considerations, the Authority hereby decides and determines as under:

- (a) The cellular mobile operators shall provide Onward Routing Services (ORS) to fixed-line networks free of cost for the first two months, from the date of implementation of Mobile Number Portability i.e. 26<sup>th</sup> March, 2007;
- (b) Subsequently, the Onward Routing Charges (ORC) for fixed-to-mobile calls shall be Rs.0.30 per minute (charged on per second basis) to be paid by the originating fixed line operator to the mobile operator providing Onward Routing Services and having established direct interconnectivity with the call originating fixed line operator. This arrangement shall be initially applicable up to October 30, 2007 and may be reviewed if circumstances so warrant;
- (c) Till such time that a fixed line operator opts for conveying calls through ORS offered by the CMOs it shall be entitled to verification of the CDRs from the PMD, without any charge, within fifteen days from the time such request for verification is received by the PMD;
- (d) The PMD shall also submit to PTA a detailed mechanism to make the settlement and verification process more transparent and efficient after discussions with the CMOs and fixed line operators within two months from the date of issuance of this Determination;
- (e) The Authority shall review the terms and conditions along with charges for ORS with a view to determine the same on the basis of cost. The Authority's methodology for such determination shall be binding on all mobile operators and relevant fixed-line operators. The

Authority may set these terms at any time after two months of implementation of MNP but not later than October 30, 2007;

- 6.2 The fixed-line and cellular mobile operators shall also incorporate the above arrangements in their interconnect agreements and the same shall be submitted to the Authority in accordance with the provisions of Pakistan Telecom Rules, 2000.
- 6.3 This Determination shall be effective from 26<sup>th</sup> March 2007.

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Dr. Muhammad Yaseen  
Member (Technical)  
Pakistan Telecommunication Authority

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S. Nasrul Karim A. Ghaznavi  
Member (Finance)  
Pakistan Telecommunication Authority

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Maj Gen. (R) Shahzada Alam Malik  
Chairman  
Pakistan Telecommunication Authority

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