



**PAKISTAN TELECOMMUNICATION AUTHORITY**  
**HEADQUARTERS, F-5/1 ISLAMABAD**  
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**Enforcement Order under Sub-section 3 of Section 23 of the Pakistan  
Telecommunication (Re-organization) Act, 1996**

**Re: M/S. MULTINET PAKISTAN (PVT.) LIMITED**

File No.PTA/Wireline/Licensing/Status of LL/758/2007

Date of Issuance of Show-cause Notice:	3 <sup>rd</sup> March, 2009
Date of Hearing:	29 <sup>th</sup> April, 2009
Venue of Hearing:	PTA HQs, Islamabad

**The Authority Present:**

Dr. Mohammed Yaseen:	Chairman
S. Nasrul Karim A. Ghaznavi:	Member (Finance)
Dr. Khawar Siddique Khokhar:	Member (Technical)

**The Issue:**

“Failure to complete Fixed Local Loop roll-out obligation in the Licenced Region”

**Decision of the Authority**

**1. Brief Facts:**

1.1 M/s. Multinet Pakistan (Pvt.) Limited (the “licencee”) was awarded non-exclusive Fixed Local Loop (FLL) Licences No.LL-22-2004 dated 16<sup>th</sup> July, 2004[initially awarded to M/s. dancom Pakistan (Pvt.) Limited and later on transferred to the licensee vide letter No.PTA/Wireline Licensing/Dancom/521/2006 dated 29<sup>th</sup> December, 2008] by the Pakistan Telecommunication Authority (the “Authority”) to provide the licenced services in the Licenced Regions of **ITR, NTR-I, NTR-II, RTR, HTR, GTR, LTR, CTR, FTR, MTR, STR-1, STR-V and WTR** (the “licences”) and to establish, maintain and operate Telecommunication System on the terms and conditions contained in the licences. As a licensee of the Authority, M/s. Multinet Pakistan (Pvt.) Limited was required to comply with the provisions of prevailing regulatory laws comprising of the Pakistan Telecommunication Authority (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 licences.

1.2 Under clause 3.2.1 read with clause 1.1.2 of the licences, the licensee was obliged to establish at least one Network Connection Point in each Licenced Region and commence the provision of Mandatory Services, within eighteen (18) months from the effective date, i.e. the date of issuance of the licences. In addition, clause 5.4 of Appendix–B of the Rules also provides that the licence shall terminate on the first anniversary of the effective date if the licensee has not before that date commercially provided licensed services or commercially operated the licensed system. However, the Authority, keeping in view the difficulties being faced by the Local Loop licensees, extended the operation of the aforesaid clauses of roll-out twice, *firstly*, vide its letter No.PTA/Wireline Licensing/Misc/618/2006 dated 24<sup>th</sup> July, 2006 for a period of twelve (12) months, i.e. from eighteen (18) months to thirty (30) months from the date of issuance of licence and *secondly*, vide No.PTA/Wireline/Licensing/Status of LL industry/758/2007 dated 23<sup>rd</sup> May, 2007 for a further final period of twelve months, which expired on 16<sup>th</sup> January, 2008. The licensee failed to comply with the aforementioned terms and conditions of the licences and the directions of the Authority concerning roll-out obligation despite extended relaxations by the Authority.

1.3 Failure to comply with the aforementioned provisions and directions of the Authority resulted into issuance of the Show-cause notice (the “notice”) dated 3<sup>rd</sup> March, 2009 under section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996 (the “Act”). The licensee failed to submit its formal reply to the notice within the statutory period of thirty days, rather it sent an email on 7<sup>th</sup> March, 2009 in the following terms:

*We have received attached notice against our LL licenses which were transferred to us on December 29, 2008. The roll out extension completion date was January 16, 2008. You may like to consider as to how we could complete the roll out by the final roll out date set-in by PTA which was earlier than the date licenses were transferred to us. Nonetheless, this is to bring in your kind notice that we have already started working on compliance network for our FLL licenses and will offer PTA for inspection as soon as we are ready.*

*You are therefore, requested to rescind the notice sent to us and oblige.*

1.4 Since the aforementioned reply was found not satisfactory, hence, the licensee was required through a hearing notice dated 21<sup>st</sup> April, 2009 to appear before the Authority on 29<sup>th</sup> April, 2009 for personal hearing in the matter.

1.5 The licensee appeared through Mr. Farrukh Sajjad Alvi (Project General Manager) and Mr. Aslam Khan (Manager Operation), who represented it before the Authority on the said date.

1.6 The licensee’s representative(s) reiterated the same position which it had taken in its email dated 7<sup>th</sup> March, 2009 as mentioned at para 1.3 above and requested for extension of time upto 2<sup>nd</sup> week of July, 2009 as some of the equipment is due by 13<sup>th</sup> July, 2009. It further informed that it has made all necessary preparations, i.e., POPs, in

all the regions, and if numbering series are allocated, then they will go operational by 1<sup>st</sup> week of June, 2009.

## 2. Order of the Authority:

2.1 Keeping in view the foregoing facts and record of the case as well as decision in other similar cases and the licensee's request for extension in time, the notice is disposed of in the following terms:

- (a) the licensee, i.e. M/s. Multinet Pakistan (Pvt.) Ltd. is finally required to complete roll-out obligation and establish its network as per clause 3.2.1 of the license condition and start the commencement of mandatory licensed services in **ITR, NTR-I, NTR-II, RTR, HTR, GTR, LTR, CTR, FTR, MTR, STR-1, STR-V and WTR** Regions **by 30<sup>th</sup> June, 2009** after completing all the commencement requirements and submit compliance report by 30<sup>th</sup> June, 2009;
- (b) In case of its failure to comply with directions contained in Para 2.1(a) above, the Fixed Local Loop Licences No.LL-22-2004 dated 16<sup>th</sup> July, 2004 for the aforesaid regions shall stand suspended w.e.f. 01<sup>st</sup> July, 2009 till further orders of the Authority.

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(S. Nasrul Karim A. Ghaznavi)  
Member (Finance)

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(Dr. Khawar Siddique Khokhar)  
Member (Technical)

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(Dr. Mohammed Yaseen)  
Chairman

Signed on 5<sup>th</sup> June, 2009 and comprises 03 pages.