



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 in the matter of M/s. Telecom Support Services (Pvt.) Ltd.

File No. PTA/Enforcement/PPP/Telecom Support Services/559/2008

Date of Show Cause: 2nd September, 2008
Date of Hearing: 7th November, 2008
Venue of Hearing: PTA HQs, Islamabad

The Authority present:

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

The Issue:

“Non-payment of annual license fee and failure to comply with the roll-out obligations”

Ex-parte Decision of the Authority

1. Brief Facts:

1.1. Telecom Support Services (Pvt.) Ltd (the “licensee”) was awarded non-exclusive license No. DIR (C)/L/PTA/258/2000 dated 27-05-2000, which was later on modified on 06-09-2002, (the “license”) by Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone Services in Pakistan, subject to the terms and conditions contained in the license.

1.2. As a licensee of the Authority, Telecom Support Services (Pvt.) Limited was required to comply with the provisions of the 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 (Function & Powers) Regulations, 2006, (the “Regulations”) and the terms & conditions of the license. Whereas in the instant case the licensee has not fulfilled the roll-out obligation regarding installation of minimum card payphones as per clause 3.19, and 2.8(ii), (iv), and (v) of its license. Conversely it closed its operations without intimation to the Authority and did not restore its operations in compliance with the directive of PTA vide No.4-128/2008/Enf/PTA dated 7th May 2008. Furthermore, it failed to submit its annual audited accounts for 2006 and 2007 alongwith payable fees, in accordance with clauses 2.3 (c), 3.16 and 3.17 of its license and sub-regulation (4) of regulation 11 of Class Licensing & Registration Regulations, 2007, for

which violations the licensee was issued show cause notice dated 2nd September, 2008 under section 23 of the Act.

1.3. Through the aforesaid notice, the licensee was required to remedy the aforementioned contraventions by restoring its commercial licensed operations immediately and to submit Annual Audited Accounts alongwith payment of annual license fee for the years ended on 30th June, 2006 & 2007 within 10 days of issuance of the notice and also to show cause, in writing within 30 days of the issuance of the notice and explain as to why the license should not be suspended, terminated or any other enforcement order should not be passed under section 23 of the Act against the licensee. Prior to issuing of any enforcement order under section 23 of the Act, the opportunity of personal hearing was given to the licensee vide hearing notice No.PTA/Enforcement/CPP/Telecom Support Services/559/2008 dated 27th October, 2008 and dated 30th October, 2008 directing the licensee to appear before the Authority on 7th November, 2008. The show cause notice and hearing notices were served on the addresses of the licensee as available in record, but all of these notices have been received back undelivered, which shows that the licensee has closed/shifted its offices and has not informed any change in address to the Authority pursuant to regulation 46 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006, hence, the licensee is not traceable.

1.4. Therefore, the Authority has no option but to decide the matter *ex-parte*, on the basis of available record.

(a). The licensee was obliged under conditions 2.3 (c), 3.16 and 3.17 of the license and sub-regulation (4) of regulation 11 of Class Licensing & Registration Regulations, 2007 and sub-regulation (7) of Regulation 23 of Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 to submit annual audited accounts within three months of close of financial year and to pay annual license fee to the Authority within 120 days from the close of financial year, which the licensee failed to comply.

(b). In addition, the licensee was required vide clause 2.8 (iii), (iv), (v) read with clause 3.19 to complete roll out obligation regarding installation of card payphones, but the licensee failed to complete the requirements. Conversely it closed its licensed commercial operations without intimation to the Authority and even failed to restore its commercial operations which was specifically required vide letter dated 7th May, 2008.

(c) The Authority has been making repeated requests to the licensee vide various letters including dated 20th August, 2007, 18th September, 2007, 17th October, 2007, and 14th December, 2007 requiring the licensee to make the payments and submit annual audited accounts, but the licensee never responded to these letters nor deposited the Authority's dues which constitute sheer disregard to the writ of the Authority.

2. **ORDER:**

2.1. Keeping in view the above mentioned facts in light of the available record establishing persistent contravention of the regulatory laws and the terms and conditions of license, the Authority hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a). License No. DIR (C)/L/PTA/258/2000 dated 27-05-2000 of Telecom Support Services (Pvt.) limited is hereby terminated with immediate effect.
- (b). PTCL is directed to forthwith terminate all telecommunication facilities extended to the licensee pursuant to the license, till further orders of the Authority.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Chairman

Signed on 27th November, 2008 and comprises 3 pages.