



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 ERTIBATAT (PVT.) LIMITED

File No.Rollout(WLL)/LL&M/PTA

Date of Issuance of Show Cause Notice:	11 th August, 2008
Date of Hearing:	22 nd October, 2008
Venue of Hearing:	PTA HQs, Islamabad

The Authority Present:

Dr. Muhammad Yaseen:	Chairman
S. Nasrul Karim Ghaznavi:	Member

The Issue:

“Failure to complete roll-out obligation in the licenced region and un-used frequency spectrum”

Decision of the Authority

1. Brief Facts:

1.1 M/s Ertibatat (Pvt.) Limited (the “licencee”) was awarded non-exclusive Wireless Local Loop (WLL) Licence No.WLL-01-2004 dated 26th November, 2004 (the “licence”) by the Pakistan Telecommunication Authority (the “Authority”) to provide the licenced services in the Licenced Region of NTR-II to establish, maintain and operate a Telecommunication System on the terms and conditions contained in the licence. As a licensee of the Authority, M/s Ertibatat (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 Telecom Authority (Functions & Powers) Regulations, 2006 (the “Regulations”) and the terms and conditions of the licence.

1.2 Under clause 3.2.1 read with clause 1.2.1 of Appendix-2 of the licence conditions, 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 licence.

However, the Authority on the licencees' requests and keeping in view the difficulties being faced by WLL licencees, extended the deadline for operation of aforesaid clauses twice, *firstly*, vide letter No.Rollout (WLL)/WLL&M/PTA dated 29th June, 2006 till 4th July, 2007 and *secondly*, vide letter No.Rollout (WLL)/LL&M/PTA dated 23rd May, 2007 for a further period of twelve months till 30th May, 2008. In addition, the Authority vide its letter dated 23rd May, 2007 categorically informed the licensee that the last extension is final and in case the roll-out is not completed within the specified time the Authority may withdraw unused spectrum and cancel the licence. The Authority also issued reminders dated 30th July, 2007, 15th April, 2008 and finally a warning letter No.Rollout(WLL)/LL&M/PTA dated 16th May, 2008 wherein requiring the licensee to complete roll-out in the unused frequency spectrum and provide proof of the same by 30th May, 2008. The licensee failed to comply with the terms and conditions of the licence and the directions of the Authority concerning roll-out obligation despite extended relaxations by the Authority.

1.3 Failure to comply with the directions of the Authority resulted into issuance of the Show-cause notice (the "notice") under section 23 of the Pakistan Telecommunication (Re-Organization) Act, 1996 (the "Act"). The licensee initially failed to submit its reply to the notice within the statutory period of thirty (30) days. However, later it submitted reply dated 30th September, 2008, wherein it stated that for unknown reasons the notice has not been received at its addresses and has come to its notice through the hearing notice dated 18th September, 2008 issued by the Authority for hearing on 25th September, 2008 which was however, adjourned. In the reply, it has referred to its earlier request vide letter dated 30th May, 2008 for extension of eight (8) months and mentioned about its negotiations with M/s Huawei for provisioning of WLL equipment, which are still in the process for signing of contract. Thence, it requested for further extension of at least eight (8) months for successfully rolling-out its network.

1.4 Since the aforementioned reply was found not satisfactory, the licensee was required through a hearing notice dated 10th October, 2008 to appear before the Authority on 22nd October, 2008 for hearing it on the matter.

1.5 The licensee appeared through Mr. Mahboob Ali (Advisor) and Mr. Abdul Sattar (Project Manager) on the date of hearing.

1.6 The licensee's representative reiterated the position it has taken in reply to the notice as reproduced in para 1.3, above. The licensee repeated that no standard and complete equipment is readily available in the market for rolling out in 479 MHz frequency spectrum in the licenced region. He stated that negotiations with M/s Huawei for provisioning of WLL equipment are in the process and finally they have provided us the agreement for signing of contract.

2. Order of the Authority:

2.1 The Authority is not inclined to accept the licensee's arguments regarding non-availability of the required equipment. It is on record that some operators have already rolled out in the same frequency spectrum i.e. 479 MHz which clearly shows that the

required equipment is available. The licensee has been given all concessions and relaxations in the dead line given in the licence but to no avail. The licensee has failed to establish any cogent ground for not complying with the licence condition.

2.2 In light of the above, the licensee is once again directed through this determination/order to complete its roll-out obligation in 479 MHz frequency spectrum as required under clause 3.2.1 read with clause 1.2.1 of Appendix-2 of the licence conditions in NTR-II within **eight weeks of the issuance of this order** i.e. before 31st December, 2008. In case of the licensee's failure to complete its roll-out obligation and submit compliance report thereof by 31st day of December, 2008, the licence No.WLL-01-2004 dated 26th November, 2007 awarded to the licensee, i.e. M/s Ertibatat (Pvt.) Limited, shall **STAND CANCELLED** and the frequency assigned to it shall be withdrawn accordingly.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Chairman

Signed on _4th November, 2008 and comprises 03 pages.