



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD

Enforcement Order under Sub-section 3 of Section 23 of the Pakistan Telecommunication (Re-organization) Act, 1996

Re: M/s SACHAL SOFTECH (PVT.) LIMITED

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

Date of Issuance of Show Cause Notice: 11th August, 2008
Date of Hearing: 22nd 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 Sachal Softec (Pvt.) Limited (the “licencee”) was awarded non-exclusive Wireless Local Loop (WLL) Licence No.WLL-16-2004 dated 5th January, 2005 (the “licence”) by the Pakistan Telecommunication Authority (the “Authority”) to provide the licenced services in the Licensed Region of STR-V 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 Sachal Softec (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 Licensed 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 extension 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.

1.4 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 failed to submit its reply to the notice not only within the statutory period of thirty (30) days but even till date.

1.5 Although the licensee failed to submit its reply to the notice, yet it 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.

1.6 The licensee appeared through Mr. Muhammad Ibrahim (CEO/SSL) and Mr. Sharif-ud-din Shah (Director) on the date of hearing.

1.7 The licensee's representative submitted that no standard equipment is readily available in the market for rolling out in 3.5 GHz frequency spectrum in the licenced region and that many types of equipment came to Pakistan but failed at the time of testing; though their cost was also very high. The representative appreciated the Authority's earlier extensions in roll-out and requested for further extension of one year. He also informed that it has booked the equipment from Germany and TRC (USA) but could not produce the copy of booking order(s) or any agreement with the equipment provider. Regarding equipment the representative was told that equipment for this frequency is very much available in the market for services like broadband and WiMax etc and that Pakistan's case is the example for other countries as well.

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. 3.5 GHz 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 3.5 GHz frequency spectrum as required under clause 3.2.1 read with clause 1.2.1 of Appendix-2 of the licence conditions in STR-V 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-16-2004 dated 5th January, 2005 awarded to the licensee, i.e. M/s Sachal Softec (Pvt.) Limited, shall STAND CANCELLED and the frequency assigned to it shall be withdrawn with immediate effect.

(S. Nasrul Karim Ghaznavi)
Member (Finance)

(Dr. Muhammad Yaseen)
Chairman

Signed on _4th November, 2008 and comprises 03 pages.