



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS F-5/1, ISLAMABAD

Tel # (051) 2878128 Fax # (051) 2878129

<http://www.pta.gov.pk>

No. PTA/Licensing/CMO- Renewal/30/2018

14th June, 2019

Subject: Impacts of Overdue Renewal Decisions for Mobile Spectrum Licenses in Pakistan

With reference to GSMA's letter dated 20th May 2019 received on 3rd June 2019 regarding the subject issue, it is informed that the renewal process of three cellular mobile operators (CMOs) was duly initiated upon receipt of their consent in the light of respective license terms and conditions and Telecommunications Policy 2015. The CMOs remained engaged with PTA and the Government of Pakistan (GoP) throughout the ongoing license renewal process and at no point in time any impression was given that their licenses may not be renewed. The applicable policy directive issued by the GoP also sets certain terms and conditions for renewal of the respective licenses and there is no indication of discontinuation/disruption of operations, contrary to what GSMA's letter states.

2. It is also important to note that the renewal price has been determined by the GoP after thorough deliberations keeping in view the international practices, market trends, consumer appetite, advancement in technologies and precedence. In comparison with 2004, where Telenor and the then Warid(now Jazz)were new entrants, today they have a well established network and huge subscriber base (Jazz 59.2 million and Telenor 44.8 million subscribers). In addition, the Telecommunications Policy 2015 provides new features such as spectrum trading/sharing, active sharing, etc. which can supplement the CMOs network performance and revenues. As a matter of record, Telenor and Jazz have already paid same price for similar spectrum band on per MHz basis in 2016 and 2017 respectively, hence terming the established price benchmark irrational does not seem justified.

3. The revised terms and conditions are focused at providing even better quality of service to the end users with increase in roll-out obligations so as to pass maximum benefit to the consumers. In no way does it cast an adverse effect on the consumers.

4. Regarding concerns on continuity of mobile services, the whole renewal process is aimed at bringing stability in the cellular sector while safeguarding consumers and national interest. The GoP has already given one month extension for payment of the renewal fee.

5. It may also be noted that unlike GSMA which mainly focuses on cellular mobile industry, the GoP and PTA as a regulator have to safeguard the rights of consumers and national interests as well.

6. Finally, the process of renewal has been challenged by two of the CMOs in a Court of Law. The court has not restrained PTA to proceed further for renewal and cellular operators have been allowed to continue their operations. Moreover, PTA has already written to CMOs and requested them to conclude the renewal process at the earliest. Efforts of GSMA at this point of time through the said letter might be seen as an attempt to influence the ongoing legal process.

7. This letter is issued with the approval of the Chairman.

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Imad Memon

Director General (Licensing)

To:

GSMA

Attention:

Mr. Brett Tarnutzer

Head of Spectrum, GSMA