



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1, ISLAMABAD
Ph. 051-9225328 Fax: 051-9225338

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

No. 14-598/L&A/PTA/2010/

4th February, 2010

**SHOW CAUSE NOTICE UNDER SECTION 23 OF THE PAKISTAN
TELECOMMUNICATION (RE-ORGANIZATION) ACT 1996 (the “Act”)**

WHEREAS Pakistan Telecommunication Company Limited (the “licensee”) is a public limited company incorporated under the Companies Ordinance, 1984, in the light of sub-section (1) of section 34 of the Act and is engaged in the business of operating telecommunication system and provision of telecommunication services pursuant to non-exclusive and integrated license No. PTA/M (T)-01/A dated 15th April, 1997 which was modified on 13th June 2006 (the “license”) issued by Pakistan Telecommunication Authority (the “Authority”) to establish, maintain & operate telecommunication system and to provide telecommunication services in Pakistan other than AJK and Northern Areas on the terms and condition contained in the license

AND WHEREAS the licensee is obliged to comply with the provisions of prevailing regulatory laws comprising 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 license.

AND WHEREAS vide clause 8.1 of Appendix-B of the Rules and clause 23.1 of the license, the licensee is required to comply with all orders, determinations, directions and decisions of the Authority made or issued by the Authority in accordance with its powers under the Act, the Rules and the Regulations.

AND WHEREAS vide clause (b) of sub-section (2) of Section 5 of the Act the Authority is empowered to monitor and enforce licenses and vide clause (d) of section 4 of the Act, the Authority is under obligation to promote the availability of a wide range of high quality, efficient, cost effective and competitive telecommunication services throughout Pakistan.

AND WHEREAS Para 23.7 of Part 6 of the Rules and regulation 10 of the Regulations empower the Authority to conduct, with or without notice, its own surveys and tests or make surprise checks through its designated officers or conduct performance audit of the quality of service of the licensee from time to time to ensure that users of telecommunication services get such quality of service as laid down in the license, regulations, and/or KPIs.

AND WHEREAS vide regulation 9 of the Regulations the licensee is obliged to provide good quality of services to its customers.

AND WHEREAS vide clause 2.1 and 2.2 of part 1 of Schedule 2 of the license oblige the licensee to take reasonable and prudent measures to ensure that the licensed system and the licensed services are available and operate properly at all times and any fault in any component of the licensed system or the licensed services be repaired as early as possible.

AND WHEREAS vide clause 2.3 of part 1 of Schedule 2 of the license prescribed the quality of service standards in detail manner and requires the licensee to take all reasonable and prudent measure to ensure that its Telecommunication System and licensed services are available

and operate properly at all times and during each calendar month it shall meet or exceed the quality of services standards mentioned in clause 2.3 of the license.

AND WHEREAS vide clause 23.3 read with clause 23.5 of part 6 of Schedule 2 of the license empower the Authority to call for special quality tests and surveys and reports thereon, as it may deem appropriate, and the licensee shall comply with the Authority's directives in this behalf.

AND WHEREAS the Authority had conducted two nation wide surveys from March, 2008 to September, 2008 and November, 2008 to January, 2009 for checking the quality of service being provided by the licensee to its customers against the benchmarks mentioned in the license, but the results were not upto the mark, hence, the licensee was directed to improve the quality of services vide letters No.5-1/2009/Enf/PTA dated 6th April, 2009 and 9th April, 2009.

AND WHEREAS to check the quality of service, the Authority had planned a joint nationwide survey in accordance with the methodology mutually agreed to and communicated to the licensee vide letter dated 28th July, 2009 pursuant to decisions made during meeting dated 8th April, 2009.

AND WHEREAS it has been taken notice of the fact through the nation wide joint survey conducted by the Authority from August, 2009 to October, 2009 that the quality of the licensed system maintained and services offered by the licensee are far below the required standards mentioned in the license referred to above.

AND WHEREAS the detail of the dates and location of survey is attached as **annex "A"** and average result of nation wide survey is as under:

PTA-PTCL Joint Survey (August 2009 to September 2009)
Country-wide Results

Parameters	Fault Incidence	Fault Clearance		Call Failure Rate		Billing Error	Inquiry Response
Threshold	37/100 lines/annum	95% within 24 hrs	100% within 48 hrs	2.70% (Local calls)	4.10% (NWD calls)	0.05 /100 bills/month	98% in 10 sec.
Avg. Results	121.29	74.87 %	92.86 %	2.19 %	2.83 %	0.79	17.34 %

AND WHEREAS despite repeated instructions of the Authority the licensee has failed to provide the required level of telecommunications services to its customers as mandated under the provisions of the Act, the rules, the regulations and the license conditions.

AND WHEREAS the aforementioned failure on the part of the licensee in maintaining the required standards of quality of service amounts to serious violation and contravention of the prevailing regulatory laws, directions of the Authority and the terms and conditions of the license mentioned above through which violations and contraventions the licensee has exposed itself to the penal provisions under section 23 of the Act, i.e., to levy fine up to Rs.350,000,000/- (Rupees three hundred and fifty million) or to suspend or terminate the licence and/or impose additional conditions by issuance of an enforcement order against the licensee under section 23 of the Act.

NOW THEREFORE, the licensee, i.e. Pakistan telecommunication Company Limited, is hereby issued this Notice pursuant to sub-section (1) of section 23 of the Act requiring it to remedy the aforementioned contravention by bringing and maintaining the required standards of

quality of service at par with clause 2.3 of the license within twenty five days of the issuance of this Show Cause Notice and also to explain in writing, within thirty (30) days of the issuance of this notice, as to why the license should not be suspended, terminated or any other enforcement order as referred to above, may not be passed against the licensee under section 23 of the Act.

THE LICENSEE IS INFORMED FURTHER that not responding to this notice within the aforementioned stipulated period will also justify the Authority to pass any of the aforementioned enforcement orders against the licensee.

This Show Cause Notice is being issued by the undersigned exercising the delegated powers of the Authority and without prejudice to any action that may be taken by the Authority or warranted under the law as against the licensee for or in respect of the abovementioned contraventions noticed by the Authority.

(Ali Asghar)
Director (Law & Regulations)

To,

M/s. Pakistan Telecommunication Company Limited,
through its Chief Executive Officer,
PTCL Headquarters, G-8/4.

Islamabad.

U.A.N. 051-111-373-373 Fax:051-4446647

Copy to,

1. DG (Enforcement), PTA HQs, Islamabad
2. DG (Licensing), PTA HQs, Islamabad
3. Director (Coord-I) PTA HQs, Islamabad
4. SO to Chairman, PTA HQs, Islamabad
5. PA to Member (Finance), PTA HQs, Islamabad
6. PA to Member (Technical), PTA HQs, Islamabad
7. All Zonal Offices

Annex “A”**Date Wise Summary of Joint PTA&PTCL Survey**

Sr. No.	Zone	Region	Exchanges Name	Date
1	Rawalpindi	ITR	City Rawalpindi	12.08.2009
2			I-10 Islamabad	13.08.2009
3			Cantt Rawalpindi	31.08.2009
4			Chaklala Rawalpindi	02.09.2009
5			Korang Town	03.09.2009
6			F-11 Islamabad	09.09.2009
7			Sihala Islamabad	16.09.2009
8			Bhara Kahu Islamabad	02.10.2009
9		RTR	Talagang	17.08.2009
10			Jand	18.08.2009
11			Murree	19.08.2009
12			Pindi Gheb-II	20.08.2009
13			Rawat	21.05.2009
14			Wah Cantt	25.08.2009
15			Attock	28.09.2009
16			Chakwal	29.09.2009
17			Jehlum	30.09.2009
18			Gujar Khan	01.10.2009
19			Kotlisan	05.10.2009
20			Kahuta	06.10.2009

Sr. No.	Zone	Region	Exchanges Name	Date
1	Lahore	GTR	Gujranwala Central Exchange	10.08.2009
2			Gujrat Central	11.08.2009
3			Wazirabad Central	12.08.2009
4			Narowal Central	16.09.2009
5		CTR	Raiwind Central	24.08.2009
6			Kasur Central	25.08.2009
7			Sheikhupura Central	26.08.2009
8			Pakpattan Central	17.09.2009
9		FTR	Jhang Central	02.09.2009
10			Bhakar Central	03.09.2009
11			Darya Khan Central	04.09.2009
12		MTR	Multan Central	17.08.2009

13			Khanewal Central	18.08.2009
14			Qadirpur Rawan Central	19.08.2009
15		LTR	Baghbanpura	07.08.2009
16			Cantt	09.09.2009
17			Township	10.09.2009
18			Multan Road	14.09.2009
19			Muridke-1	15.09.2009
20			Shahdara	05.10.2009

Sr. No.	Zone	Region	Exchanges Name	Date
1	Quetta	WTR	Quetta Central MSU	10.08.2009
2			Pishin Alcatel MSU	18.08.2009
3			Pishin ZTE MSU	18.08.2009
4			Sibbi EWSD MSU	17.08.2009
5			Sibbi ZTE	17.08.2009
6			Brewery RLU	28.08.2009
7			Churmian RLU	19.08.2009
8			Quetta Cantt RLU	11.08.2009
9			Dasht Kambela RLU	25.08.2009
10			Hanna Urak	12.08.2009
11			Citiy Quetta	27.08.2009
12			Khanozai RLU	19.08.2009
13			Kuchlak RLU Alcatel	24.08.2009
14			Ziarat RLU	20.08.2009
15			Yaru RLU	18.08.2009
16			Hazar Ganji	04.09.2009
17			Nawa Killi	31.08.2009
18			Saryab Road	02.09.2009
19			Samungli	03.09.2009
20			Sheikh Manda	07.09.2009

Sr. No.	Zone	Region	Exchanges Name	Date
1	Karachi	Karachi	Azizabad	10.09.2009
2			Cantt	14.09.2009
3			Pak Capital	15.09.2009
4			SITE	28.09.2009
5			Gul-e-Johar	29.09.2009
6			North Karachi	30.09.2009
7		Hyderabad	Thatta	15.08.2009

8			Badin	15.08.2009 16.08.2009
9			Matli	16.08.2009
10			Tando Mohammad Khan	16.08.2009
11			Hyderabad	17.08.2009
12			Tando Jam	18.08.2009
13			Mir Pur Khas	18.08.2009
14			Hala	19.08.2009
15			Dour	20.08.2009
16			Nawanshah	19.08.2009 20.08.2009
17			Moro	20.08.2009
18			Khairpur	21.08.2009
19			Sukkar	20.08.2009 21.08.2009
20			Shikarpur	20.08.2009

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Sr. No.	Zone	Region	Exchanges Name	Date
1			Haripur	21.08.2009
2			Mansehra	17.08.2009
3			Abbottabad	18.08.2009
4			Seer	19.08.2009
5			Nagri	19.08.2009 20.08.2009
6			Swabi	22.08.2009
7			Chitral	27.08.2009
8			Garam Chashma	28.08.2009
9			Peshawar Cantt	31.08.2009
10			Khyber EWSD	01.09.2009
11			Khyber ZTE	01.09.2009
12			Charsadda Road RLU	03.09.2009
13			Peshawar City EWSD	07.09.2009
14			Peshwar City ZTE	07.09.2009
15			Hayatabad ZTE	08.09.2009
16			Mardan	09.09.2009
17			Korugh	09.09.2009
18			Hayatabad EWSD	11.09.2009
19			Nowshera	14.09.2009
20			Charsadda MSU	15.09.2009