

Pakistan Telecommunication Authority
Response to Queries and Comments on the IM
Prepared by the PTA Auction Committee
2nd May, 2017

S. No.	IM Reference	Query/Comment	Response
1	1.3; 2.2.2 [Table 2] & 4.1.2.2 of IM; A1.1 of Appendix-II of Annex-F	<p><u>Clean and Clear Spectrum Range</u></p> <p>Exact frequencies of the block to be auctioned have not been specified. Moreover, Ref. 2.2.2 of the IM; it is stated that the exact lot details will be finalized later as per the re-farming plan; and later on, under A1.1 of Appendix-II of License Format given in IM 2017; it is mentioned that the exact details of the spectrum will be inserted after auction process. Kindly clarify the position on stated re-farming to be done during this timeframe. In case of on-going exercise, the outcome should be shared with the potential bidders before application submission rather than license terms' finalization.</p> <p>In this context; following is requested :</p> <ul style="list-style-type: none"> • Clear definition of technology neutral frequency lot [blocks of uplink/downlink frequencies], currently being provided for auction under the IM; • Assurance that FAB has tested and the offered spectrum range is clean from interference. 	<p>The mentioned frequency range was monitored extensively during February and April 2017 by FAB. The spectrum was found free of any significant external interference that can be deemed harmful for any future NGMS network to be deployed in the band.</p> <p>Secondly, the assignment shall be made in FDD Band-3 which is not assigned to any other licensee so far.</p> <p>The assignment shall be made in a similar manner as earlier uplink/downlink frequencies are assigned in this Band.</p> <p>PTA & FAB will make the said re-farming plan to facilitate the winner of the auction for optimum utilization of its new and old assignments with mutual consent.</p>
2	1.6.2 & 2.4.1 of IM; and 2.8 of License Format (Annex-F)	<p><u>National Roaming</u></p> <p>PTA is required to confirm that compliance with service rollout obligation can be achieved through National Roaming arrangement for NGMS services.</p>	<p>In addition to the mandatory Network Rollout obligations, licensee may extend its service through national roaming in line with the Telecommunications Policy 2015.</p>

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3	<p>2.6 of IM;</p> <p>Part 8 – 8.1 Tariff; and 8.2 Price Regulation of SMP Operators (Max & Min Price etc.) of License Format</p>	<p><u>Regulatory Measures & Tariff Regulations</u></p> <p>Ref. Telecom Policy Clause 1.4 (Tariff) regarding balance in terms of industry health and pricing trends; and requests to PTA for overall telecom market review; following is strongly recommended to be added in the final IM:</p> <ul style="list-style-type: none"> • Policy & Regulatory Directive w.r.t. implementation of Price Caps and Price Floors (as also mentioned in IM of NGMS, 2014 w.r.t. SMP & Non-SMP operators) before NGMS Auction, 2017; and • Confirmation that provisions of IM w.r.t. tariff are cleared by all relevant GoP entities (MoIT, FBR & CCP etc.). 	<p>The Licensee shall comply with the Authority's orders, determinations and regulations relating to the Licensee's tariffs issued from time to time by the Authority in accordance with the law, to protect the consumers' interest.</p> <p>PTA does not require clearance from relevant GoP entities w.r.t tariff. However, PTA would consult all stakeholders including MoIT and CCP regarding introduction of price floor and review of MTR, etc.</p>
4	<p>Ref. 2.2-SMP & Part 8-Tariff of License Format (Annex-F of IM); and</p> <p>CCP Merger Review and directions to PTA</p> <p>PTA Merger Review and conditions of RIO & Tariff Regulations on Merged Entity by PTA (Jazz is assumed to be declared SMP)</p>	<p><u>Pending SMP & Post-Merger Action items</u></p> <p>IM needs to be revised w.r.t outcome of Post-Merger-Approval Action-items related commitments:</p> <ol style="list-style-type: none"> i. Qualitative & Quantitative Assessment of Spectrum by PTA (as required by CCP in its Merger order dated 18th March, 2016). This is required in order to introduce spectrum Caps for curbing chances of Spectrum Hoarding under this Auction; ii. Review of Cellular Market (Interconnection Regime); iii. Merged Entity's RIO; iv. Merged Entity's Tariff Regulation (including compliance to price/tariff floors and ceilings); <p>Given the concerns raised by the CCP at the time of the Mobilink/Warid (Jazz) merger and the lack of qualitative and quantitative assessment completed to date, there is genuine concern that any additional amassing of radio frequency spectrum by the merged entity (Jazz) will result in further and irreparable distortion to the market. As such eligibility criteria should consider the implications of further spectrum concentration that could arise as a consequence to the auction if measures are not adopted that are</p>	<p>There is no need to revise IM.</p> <p>Qualitative & Quantitative Assessment of Spectrum by PTA was subject to preceding conditions at para 190 of the CCP order dated 18th March 2016, which has not been quoted with reference to context.</p> <p>It is also clarified that CCP Determination did not put an obligation on PTA to carry out review of cellular market (Interconnection Regime). However, PTA will carry out review of interconnection regime.</p> <p>Due date for submission of RIO is June 2017 and PTA has already directed the Merged Entity to submit RIO before the due date.</p>

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		<p>specifically designed to prevent this eventuality. This could range from exclusion from the auction for operators that already enjoy spectrum dominance to caps that may curtail the extent to which this becomes an irreparable situation. There is strong evidence from around the world to support this position with Australia, New Zealand and the UK to name but a small number of auction in which the dominant licensee has been excluded or its ability to participate restricted through the use of spectrum caps.</p> <p>Based on above; conditions w.r.t. ineligibility of Licensees (with significant spectrum holdings) to participate in the upcoming NGMS auction or its ability to participate restricted through the introduction of spectrum caps is recommended to be added.</p>	<p>Merged Entity is regularly submitting its tariff proposals to PTA for approval.</p> <p>As stated above, the auction is open for all new entrants and existing cellular mobile licensees, in line with Policy Directive issued by GoP.</p>
5	<p>2.10 (Table 7) & 3.1.2 of IM; and</p> <p>Clause 4(iii) of latest 1800 NGMS Auction Policy Directive</p>	<p><u>Base Price</u></p> <p>The base price of US\$ 295 million would appear to be at odds with the principles established at the time of the 2014 auction. Whereby the price was to be set at the price of the proceeding auction [Ref. 8.7.2 of the Telecommunication Policy, 2015]. The yield under the 2014 NGMS auction for 1800MHz LTE frequencies was US\$210m and as per Policy any further assignment of spectrum (following a spectrum auction) would be fair and ensure that it does not discriminate against other licensees.</p> <p>Therefore, clarity on the principles of the assessment of Base Price @ 295 Million is required.</p>	<p>GoP under Section 8(2) of Pakistan Telecom Re-Org Act 1996 issued the Policy Directive dated 27th March 2017 containing the base price of USD 295 Million for 10 MHz paired spectrum as a single block.</p>
6	<p>2.6.2 of License Format (Annex-F of IM, 2017)</p>	<p><u>Pending Framework(s) of Spectrum Trading (including Spectrum Caps) and Sharing.</u></p> <p>Ref. Telecom Policy Clause 8.15.3 w.r.t. Spectrum Capping under the regulatory framework for spectrum trading/sharing framework; PTA is required to introduce the spectrum caps, while committing the issuance of the said frameworks/guidelines of trading (Consultation already done) and sharing of spectrum under this IM. It is strongly suggested that clarity on this subject is provided in advance of the Auction.</p> <p>Moreover, the clause 2.6.2 and 5.2.1.2 of Annex-F (License</p>	<p>The Spectrum trading/sharing framework shall be applicable as and when approved by GoP. However, the said license conditions are not in contradiction as the license Condition 5.2.1.2 shall remain in force till the time license condition 2.6.2 becomes applicable.</p>

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		Template) are in contradiction to each other; therefore, clause 5.2.1.2 may be amended/deleted accordingly.	
7	2.9 – Fees of IM	<p><u>Special Funds (USF & National ICT R&D Fund Contributions)</u></p> <p>Telecom industry has already submitted a joint request for downward revision of these special funds (Currently: USF@1.5% and R&D Fund@0.5% in Pakistan) with the Ministry of IT (MoIT). The level of receipts to these funds is significant with the GoP at the moment; while approximately more than half of those remain to be disbursed.</p> <p>PTA is requested to seek the MoIT stance on the same while finalizing the IM.</p>	All licensees shall be treated at par regarding contributions in the said funds, till the time GoP allows for such reductions for the industry as a whole. So, IM at the moment does not need any change.
8	2.9 – Fees of IM	<p><u>ASAF Regime & related financial aspects</u></p> <p>Ref. Telecom Policy clause 8.7.3; Clarity is required on the replacement of ASAF Regime, its related financial aspects w.r.t CMO's share and charging mechanism of backhaul spectrum.</p> <p>It is understood that any such changes in these regimes will be subject to acceptance by the License holder. Please confirm.</p>	Refer license condition 4.1.3 of the License Template of the IM. The replacement of ASAF Regime with Administrative Incentive Pricing is a Policy Decision and shall be applicable to all licensees.
9	Appendix-I, 3.2 & 3.3 of License Format (Annex-F of IM)	<p><u>Rollout Obligations in the absence of RoW Framework</u></p> <p>Ref. Telecom Policy clause 7.1; PTA is required to issue Right of Way (RoW) Framework with assurance that physical infrastructure and RoW required for rollout are readily available and accessible through clear processes.</p> <p>Pending the said framework and in case of default due to RoW issues; Bank Guarantees against the rollout obligations should be subject to exception clause under the NGMS License.</p> <p>Furthermore where rollout is impeded due to the failure to secure RoW this should be excluded from any compliance measures until such time as the RoW issues have been resolved or mitigated.</p>	The RoW framework will be applicable as and when approved by the GoP, till that time, PTA will continue facilitations as per existing practice.
10	License Template (Annex-F of the	<p><u>Pending Licensing Framework Review</u></p> <p>Ref. Telecom Policy clause 5.2; Licensing framework was due to be</p>	PTA will introduce appropriate changes (if required) as per new licensing

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	IM); and Telecom Policy clause 5.2	reviewed. Clarity is required on the mechanism to review the license terms with mutual consent (if any) under new framework; and further potential separation of spectrum and operation License under 5.2.5(b) of Policy.	framework as and when approved by GoP with due consultation with the stakeholders as per Telecom Policy 2015.
11	1.16 of Annex-A of IM	<p><u>Taxation Regime</u></p> <p>PTA has given reference to taxation regime; however, being the potential investor need clarity on the outcome of industry request for reforms in line with the recommendations of GSMA (Ref. Country overview of Pakistan – A Digital Future).</p> <p>Failure of the Federal Board of Revenue (FBR) to implement the decision of the Ministry of Industries and Production which classifies the Cellular Operators as “Industry” (SRO No. 1(II)/2004-InvIII dated April 20, 2004), and to recognize the Ministry of Information Technology (“MoIT”) reference to the CMO’s as Industry in the Cellular Policy 2004 and in its letter to the FBR in June 2014 has over the course of the past many years has imposed considerable hardship in the industry. This demand was also acknowledged by GoP after NGMS Auction, 2014 but has not yet been notified and implemented by FBR.</p> <p>Furthermore, the rollout of network associated with the auction will require considerable Capex and the importing of equipment. This should be exempt from the import duties currently levied. We also request for free passage of our bonded shipments between provinces as Customs intelligence in Punjab inspects every shipment especially from Sind.</p> <p>Other investment incentives should also be considered that will accelerate the roll out of NGMS services such as exemptions on withholding tax and adjustments to the GST system that would allow a net payable position to be adopted.</p> <p>PTA is required to coordinate with FBR and other stakeholders including members of Auction Advisory Committee on the above</p>	PTA will continue to facilitate and support the legitimate requirements of Telecom licensees with concerned quarters.

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		<p>mentioned issues; and share the outcome with potential impact on cellular mobile operations in the context of upcoming Finance Bill, FY 2017-18. This is critical for the investment decision by our shareholders for this auction.</p> <p>Further, we would like to avail this opportunity to request for</p> <ul style="list-style-type: none"> i.) Elimination of WHT ii.) Rationalization of FED/GST iii.) Granting of Industrial status to Telecom sector by FBR iv) Elimination of Advance Income Tax on Auction price of spectrum 	
12	License Template (Annex-F of the IM)	<p><u>Provision of Digital Services</u></p> <p>Several requirements of NGMSA 2017 IM and license template, for example those related to data protection, privacy, and cross border flow of customer information, have legacy origins (2G & earlier) where communication services were offered by National Telcos such as Cellular Mobile Operators. Today, the Telco industry has radically changed and is faced with novel challenges. For example, today the Cellular Mobile Operators are competing directly with Internet/OTT players which are completely unregulated and not restricted by such regulations. These Internet/OTT players have been capitalizing on the benefits of virtualization and cloud architecture for a number of years.</p> <p>The Cellular Mobile Industry has only just begun the evolution towards Network Virtualization and Cloud Architecture for which the existing data protection and privacy requirements are not optimized. In fact, in many cases, these can be restrictive and put CMOs at a disadvantage.</p> <p>In this context, PTA is required to review License obligations in the context of provision of cloud based digital services, already practiced by Internet/OTTs players at global scale including Pakistan, creating disparity among the service providers (Licensee regulated by PTA and un-regulated Internet/OTTs players).</p>	<p>The existing licensing regime will continue to prevail until any changes / modifications are introduced by PTA as and when the new licensing regime is approved by GoP with due consultation with stakeholders as per Telecommunications Policy 2015. PTA supports the modernization of the regulatory environment according to the latest technologies and welcomes suggestions from all the stakeholders.</p>

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		<p>Emphasis is drawn on the clause 6.7.3 and 7.7 of Annex-F of the IM, which restricts the use of cloud based services by the licensees and reforms in this domain is essential preliminary step towards digitalization agenda of Government of Pakistan.</p> <p>The current limitations will also significantly hinder the development of network function virtualization and software defined networks, both essential precursors to the next generation mobile ecosystem. Removal of such limitation will facilitate network readiness for more advanced services and enhance innovation.</p>	
13	1.2 – Legal Framework of IM	<p><u>Data SIMs Check</u></p> <p>Ref. PTA revision in SOP w.r.t SIMs sale and activation in line with Supreme Court Decision; Clarity on 5 (voice & data SIMs) and 3 (Data Only SIMs) check implementation is required. Moreover, separate reporting mechanism for (i) voice, (ii) voice & data and (iii) data only/dongle subscribers is recommended to be put in place for its enforcement.</p> <p>PTA is required to review the Data SIM check and also add clear guidelines under the IM to clarify the status of implementation of regulatory framework on SIMs (esp. Data SIMs).</p> <p>This is important for ascertaining the market potential for the applicant.</p>	<p>The restriction on count of SIMs was imposed in compliance to orders of honorable Supreme Court of Pakistan in C.P No,77 of 2010 in 2012 according to which count of SIMs was restricted to five (5) across all operators. Later on, relaxation pertaining to data-only SIMs was provided vide orders dated 8th June 2016 in CMA No. 9657 of 2015 and in CMA No. 5657/2015. Currently a total of eight (8) SIMs across all operators is allowed i.e. 5 normal SIMs (voice + data) and 3 data-only SIMs. The same has been communicated to all CMOs in January 2017 and is currently under implementation.</p> <p>The reporting mechanism given by PTA i.e. (i) voice + data (ii) data-only SIMs is in accordance with directions of SCP. PTA will review this in due course of time.</p>
14	Ref. 5.4.2 of License template (Annex-F of IM); 2.2.1 of IM -	<p><u>Use of spectrum and potential Interference</u></p> <p>Clarity is required w.r.t. Interference Protection. The referenced clause 2.2.1 of IM needs to be amended; whereby, the applicant should only be obliged to ensure compliance with 3GPP standards and will have to take all possible measures while installing its</p>	<p>Clause 2.2.1 is in line with the international standards and hence needs no amendments.</p>

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	Limitation on Use	network to ensure that the out-of-band emissions are under the permissible limits defined by ETSI, ANSI, ITU, IEC standards.	
15	2.6.1 of License template– Infra sharing dispute settlement... in conflict with 7.5.1 of Telecom Policy, 2015	<p><u>Dispute Settlement</u></p> <p>Clarity is required by PTA on Infrastructure sharing and dispute settlement process in line with the relevant Policy clauses.</p>	Infrastructure sharing and Dispute settlement related processes would be appropriately elaborated in the relevant regulatory framework to be developed in line with Telecom Policy 2015. Till then the current dispute resolution mechanism under the Regulations will continue.
16	2.2.1 of IM - Limitation on Use (Definition of Fixed Services); 7-Definition of Terms of IM (Table 9)	<p><u>Definition of Fixed Services</u></p> <p>Reference prohibition of fixed services under clause 2.2.1 of I.M; It is understood that the definition of Fixed Services does not include the LTE CPEs and M2M modems etc., connected through a mobile system, providing advance NGMS services (e.g. IoT and other digital services).</p> <p>PTA is requested to clarify, as such services portfolio are potential business opportunities under the NGMS business plan.</p>	Licensee shall be allowed to use the Terminal Equipment which operate on the assigned access spectrum, subject to compliance of all license conditions.
17	Appendix III – QoS [Annex-F of IM]	<p><u>QoS Methodology & KPIs</u></p> <p>Existing 3G license from NGMSA 2014 specifies a Call Connection Target of 6.5 seconds. Presently the most widely deployed standard solution for provision of voice services to 4G subscribers is ‘Circuit Switched Fallback’ (CSFB) of the subscriber from 4G network to 3G or 2G network. This involves additional network procedures, and hence delays, on top of the call setup time for traditional 2G or 3G voice services. PTA is, therefore, requested to relax the ‘Call Connection Time’ target to 8.5 seconds.</p>	Concern noticed and same shall be addressed in consultation with all stakeholders for ensuring a level playing field for all NGMS operators.
18	1.5-Overview of Time Scale (Table 1)	<p><u>Extension in NGMSA Time lines</u></p> <p>The IM incorporates a timetable of events leading up to the auction including: concluding consultation comments on draft IM (19th April, 2017); finalization of NGMSA rules (24th April, 2017); and submission of Application with pre-bid deposit by (5th May, 2017).</p> <p>Investments of such significant magnitude as a matter of corporate governance require the approval by the respective Board of Directors</p>	<p>NGMS auction process has to be completed by PTA in minimum possible time within financial year 2016-17 as per Policy Directive issued by GoP.</p> <p>The revised schedule is uploaded before</p>

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		<p>of prospective applicants as well as the Board of Directors of the shareholding groups. Given the proposed timeline of only one working week between finalization of IM and submission of bids; it is impractical to calling for all of the required Board of Director meetings etc.:</p> <p>In view of above; a timespan of at least 3-4 weeks be provided to applicants / bidders after publication of the final IM before the Application submission date. This would reset the Bid submission date to at least 31st May, 2017. NGMS Spectrum Auction may therefore be conducted after further 15 days i.e. around 15th June, 2017 accordingly.</p>	<p>30th June, 2017 on PTA's website, remaining in time limits as mandated by Policy Directive.</p>
19		<p>Section 2.9 of the Information Memorandum states that the upfront payment will be made within 30 days of the auction. On the assumption that the auction last 1 day such a payment would be payable by the 15th of June 2017. While we recognize the need of the Government of Pakistan to have certainty with regards to the amount of money that it will receive following the auction prior to the next fiscal year, we believe that all potential participants in the auction would benefit from not having to make the initial payment until the 15th of October 2017. This will allow the winning bidder sufficient time to purchase equipment in order to meet the proposed rollout obligations while ensuring that the Government of Pakistan has certainty with regards to its budget for Fiscal Year 2018. As such, we humbly suggest that the phrase "within 30 days of the Auction" in section 2.9 be replaced with the phrase "within 150 days of the Auction."</p>	<p>As per Policy Directive, the payment terms must be in line with 2014 NGMS Auction Process.</p>
20		<p>Mobile Licenses for majority of the operators will be up for renewal in 2019. Despite requests, so far no renewal framework has been shared for consultation. Absolute clarity on renewal terms is a pre-requisite for making any further investment decisions by our shareholders. Industry is of the view that the last Renewal framework must prevail and licenses should be renewed on the same fee as paid at the time of award/last renewal.</p>	<p>A consultation process has been started and PTA is in process of hiring an internationally reputed consultant(s).</p>
21		<p>Increased spectrum predictability helps operators take informed decisions and ensure willingness to invest in spectrum and networks. In order to help operators value the spectrum available and weigh up future options, it is important that PTA, at this stage, provides clarity</p>	<p>Future spectrum availability has been shared with all the stakeholders on different occasions, however, as PTA gets more clarity the same would be</p>

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		over the future release of spectrum (availability of remaining spectrum in 1800 MHz and 2100 MHz, and expected release of 700 MHz, 1400 MHz & 2600 MHz band) for use by Mobile Operators.	shared again.
22		The Government has increased the base price for 10 MHz in 1800MHz by 40% in comparison to the applicable equivalent price in 2014 (from USD 210 to 295 million) without any expressed, sound rationale for the increase. Can you please share the reasoning behind this increase?	GoP under Section 8(2) of Pakistan Telecom Re-Org Act 1996 issued the Policy Directive dated 27 th March 2017 containing the base price of USD 295 Million for 10 MHz paired spectrum as a single block.
23		PTA to ensure to allocate a non-interfered spectrum.	As per response of S. No 1 above.
24		Exact frequency range to be auctioned has not been mentioned in the IM. How will PTA address the issue of assigning the spectrum to the winner on contiguous basis? We request PTA to share with us the spectrum refarming/ reshuffling plan before the auction. In absence of contiguous spectrum, we feel that the issue of passive inter-modulation can have negative impact on overall QoS.	As per response of S. No 1 above. Spectrum refarming/reshuffling plan also depends on the flexibility shown by the existing CMOs.
25		On the roll out obligation, our understanding is that the intent of Govt/ PTA is to comply the requirement through existing and/or future spectrum. Please clarify.	PTA's intent is to get the network roll out obligations to be complied with the spectrum assigned under the new license.
26	1.6.5 & 2.4.5 of IM 2.10 & 13.2 of Annex-F “Mobile Virtual Network Operator (MVNO)” means a person who has no License to operate a mobile Telecommunication Network and no frequency assignments, but who will provide Mobile Services to	In order to ensure competitiveness of the small operators in the NGMS mobile ecosystem; in-principle confirmation and necessary amendments are required in the IM, MVNO framework & definition of MVNO with the aim to enable small MNOs to offer NGMS (4G) services as an MVNO in collaboration with other NGMS licensees. This will help small MNOs in serving its customer as MVNO for enhanced NGMS services and reduce the chances of market failure in the context of post-merger mobile market situation. In this context, PTA is requested to change the definition of MVNO and give assurance to make requisite changes in the MVNO framework and license accordingly.	PTA is in process of reviewing the existing licensing framework in light of Telecom Policy 2015. The concern related to MVNO will be considered in the new licensing framework.

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	his own users by means of entering into arrangements		
27	High Reserve Price	<p>Reserve prices play an important role in spectrum-auction design. The reserve price of USD 295 m for 2X10 MHz of 1800 is 40% higher than the previous base price of USD 210 m for 2X10 MHz block in same band. Current base price is too high and no justification has been provided for such astronomical increase.. There is always high risk of auction failures if base price is set too high. A study by Plum consulting (Reserve Prices in Spectrum Auctions: Why Size Matters - 2016) found that in the majority of recent auctions (51 per cent) over the past 10 years, the gap between the final price paid and the reserve price is negligible, suggesting the Government rather than the market determined the outcome. If operators pay more for spectrum than its competitive market value, there is a risk that this will lead to lower network investment, reduced quality of service, and higher consumer prices. Rather than focusing on revenue maximization, focus should be on the positive social and economic outcomes generated by the use of widespread mobile services, while facilitating an appropriate level of industry competition. Lower, realistic reserve prices for spectrum auctions allow the market to determine the appropriate market value of the spectrum being released.</p> <p>It must also be noted that “per MHz” price determined for the radio frequency spectrum for 850 has remained the same as was determined for 850 MHz (\$291 for 7.38MHz). The per MHz price remained the same (\$39.5 per MHz) in the auction of 2014 and 2016.</p>	As per S.No.5 above.
28	Block Size and Position	The proposed structure unduly restricts the ability of the market to determine the distribution of spectrum across bidders. As a point of principle and best practice, good auction design should allow the market to test all outcomes that allocate viable spectrum holdings to operators. Restrictions on allocation should be the bare minimum to rule out clearly undesirable outcomes, such as one operator monopolising spectrum holdings. It is suggested that instead of one lot of 2x10 MHz, the government should offer two lots each of 2x5 MHz spectrum and applicants may be allowed to participate for a	As per S. No. 1 and last Para of S. No. 4 above.

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		<p>minimum of 2X5 MHz.</p> <p>Exact position of offered spectrum need to be mentioned to ascertain different technical dependencies and resultant financial impact. Purity of spectrum can only be determined if the block to be auction is identified. In past impure spectrum was sold, causing problems for operators.</p>	
29	Licence Renewal	<p>We re-emphasize that a transparent, predictable and coherent approach to renewal is therefore important, enabling operators to make rational, long term investment decisions. It need to be noted that unsustainable renewal prices will be a strong signal to investors/shareholders that the risk associated with sunk investments in Pakistan is high. This may reduce investment also in other sectors.</p> <p>Clarity on renewal terms and price, including a re-shuffling plan, is required to enable additional acquisitions. Knowledge about the size of the portfolio post renewal and its spectral position guides in making any decisions regarding additional investment.</p>	<p>Cellular Mobile Licenses will be renewed after consultation with all stakeholders as per Telecommunications Policy 2015 and approval by GoP.</p> <p>Also refer to response of Query at S. No. 20 also.</p>
30	Review of Licensing Framework	<p>It is important for investors to have clarity on the future licensing regime. We support separation of service and spectrum but transition to unified licensing regime is a critical point considering different conditions attached to spectrum of WLL (limited Mobility) and mobile operators. If not handled correctly it may have long lasting impact on investment decisions.</p>	<p>As per S.No. 10 above.</p>
31	Digitization	<p>Digitization has changed the whole landscape of Telecom. Now Telecom operators are competing with Digital Actors or service providers providing the same services of voice and messaging free of charge. The business models of those Digital Companies are altogether different and mostly based on intelligent advertisements and capitalizing on large user data. Telecom operators need regulatory enablement to offer competitive digital services to its users which can better address the need of users of digital age through at the minimum following immediate steps:</p> <ol style="list-style-type: none"> i. Licenced telecom operators need to be allowed to make use of international cloud based services ii. Removal of restriction on number of SIMs iii. Separate categorization for IoT SIMs iv. Removing Tax on data services 	<p>i. The existing licensing regime will continue to prevail until any changes / modifications (if required) are introduced by PTA as and when the new licensing regime is approved by GoP with due consultation with stakeholders as per Telecom Policy 2015.</p> <p>ii & iii. As per S.No. 13 above.</p> <p>iv. As per S.No. 11</p>

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32	Active Sharing	<p>As the market moves from voice to data, the global volume growth rate on mobile networks is accelerating. This calls for more concentrated market structures than in the past in order to meet the investment challenges and ensuring continuity in provisioning of affordable services specially data services to consumers.</p> <p>It is therefore, requested that guidelines for Fiber Sharing, RAN sharing and Spectrum Sharing may be issued at top priority</p>	<p>The Infrastructure sharing framework shall be finalized in Licensing Framework review as mandated vide Telecom Policy 2015.</p> <p>The Spectrum sharing framework shall be finalized and applicable as and when approved by GoP as mandated vide Telecom Policy 2015.</p>
33	Spectrum Roadmap	<p>Three year National Spectrum Strategy is to be formulated as given in Telecom Policy 2015. Clear roadmap for spectrum allocation is essential for transparency, predictability and investor confidence. It is important to have this in place so that investors have full clarity on future spectrum availability in different bands through re-farming and also any re-shuffling plan for making spectrum continuous and in blocks of multiple of 5 MHz in bands of 900,1800 and 2100MHz. Any spectrum acquisition will be marginal in the sense that new spectrum must be combined with existing spectrum.</p>	<p>Refer to response of Query at S. No. 21.</p>
34	Spectrum Trading	<p>Spectrum trading creates increased flexibility in business planning and ensures that spectrum does not lie unused, but instead is used to deliver valuable services to citizens. Spectrum-trading restrictions should only be applied when competitive or other compelling concerns are present. Spectrum-trading agreements need to be governed by commercial arrangements and subject to the rules applicable to such agreements. They may also be subject to assessment under competition law.</p>	<p>The Spectrum trading framework shall be finalized and applicable as and when approved by GoP as mandated vide Telecom Policy 2015.</p>
35	NGMS Licensing for AJK&GB	<p>Although NGMS licensing was first done in Pakistan in 2014 but despite the passage of three years, NGMS licensing for AJK&GB is still pending whereas there is huge demand of broadband mobile services in those areas. It is requested that this is done on priority.</p>	<p>AJK & GB Councils are in the process of issuing the Policy Directive. PTA shall initiate the process on receipt of said Policy Directive(s).</p>