

**GOVERNMENT OF PAKISTAN
MINISTRY OF INFORMATION TECHNOLOGY
(IT & TELECOM DIVISION)**

No. 1-1/2013-DT

Islamabad, the 7th October, 2013

Subject: POLICY DIRECTIVE UNDER SECTION 8(2) OF THE PAKISTAN TELECOMMUNICATION (RE-ORGANIZATION) ACT 1996 FOR SPECTRUM AUCTION FOR NEXT GENERATION MOBILE SERVICES IN PAKISTAN

The Mobile Cellular Policy, 2004, laid down the principle of auctioning spectrum for the introduction of 3G (Third Generation) services in Pakistan. The auction could not materialize at that time as the industry requested that market was not ready for introduction of 3G while at the same time requisite frequency was not available as it was being used by other national entities for different purposes. As soon as the requisite frequency was made available and positive indications came from the market, the Ministry of IT issued policy directive to PTA for the Introduction of Third Generation Mobile Services in Pakistan on 19th December, 2011. However, the auction could not materialize. It may be noted that the directive was issued under special circumstances when the moratorium on new licensing was in place. In the meanwhile, the technological advancements around the globe and the expiry of moratorium on future licensing in March 2013 necessitated review of policy directive issued in 2011.

2. The Prime Minister constituted an Advisory Committee to review the policy directive issued in 2011 (Annex-I). The Committee, after thorough deliberations, submitted its recommendations to the Prime Minister of Pakistan for approval.

3. After approval of the Competent Authority, the Federal Government in exercise of its powers conferred by the Section 8(2) of the Pakistan Telecommunication (Re-organization) Act 1996 (Amended 2006), is pleased to issue the following directive for compliance of the Pakistan Telecommunication Authority:

- (i). Transparent, competitive auction be conducted for spectrum allocation for deployment of next generation mobile networks. The allocation will

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be technology neutral and usable for technologies standardized for 3G and advanced generation(s) of mobile services.

- (ii). As identified by Frequency Allocation Board (FAB), 30 MHz paired spectrum in 1.9GHz/2.1GHz band is available for auction.
- (iii). PTA is entrusted to carry out the auction process, fulfilling policy objective of optimal outcome mitigating chances of collusion among bidders. The auction shall be accordingly conducted by PTA in the minimum possible time after the issuance of this directive.
- (iv). PTA shall carry out the appointment of internationally reputed consultant(s) with the following Terms of Reference (ToRs):
 - (a). *Identify the number and size of blocks to be auctioned considering the market situation.*
 - (b). *Recommend the most appropriate auction methodology and plan.*
 - (c). *Recommend the Reserve Price for auction.*
 - (d). *Design and management of the auction process.*
 - (e). *Analyze potential impact on auction price with respect to upfront payment of bid price versus staggered payment over a period of five years, and recommend the optimal bidding procedure.*
 - (f). *Develop a license template for new license.*
 - (g). *Any other allied matter relating to the auction and any assignment as deemed necessary by PTA.*
- (v). Reserve Price of 1 MHz shall be determined by the Federal Government after the receipt of report by consultant.
- (vi). All existing cellular mobile operators (CMOs) as well as new entrants will be eligible to participate in this auction.
- (vii). A new license for the provision of next generation mobile services will be issued to the successful bidders/auction winners. The tenure of license will be 15 years.
- (viii). For efficient and optimal rollout of next generation mobile services, cost-based sharing of infrastructure shall be considered as a matter of first priority by the Cellular operators at the time of rollout. PTA shall prepare detailed guidelines in this regard with the view to provide level playing field to both existing as well as new entrant(s).

- (ix). Existing Licensee would provide National Roaming on request by any New Entrant or as directed by the PTA, as deemed appropriate.
- (x). The auction winners will encourage and facilitate local manufacturing, assembling and development of telecom equipment, terminal devices, applications, transfer of technology and Research & Innovation in Pakistan.
- (xi). The auction winners may deploy renewable energy sources as power back up.
- (xii). The Advisory Committee shall be kept informed/ updated by PTA regarding the progress of auction process and on tasks assigned to the consultant(s). Furthermore, the final recommendations of the consultant(s) shall be brought before the Advisory Committee for consideration. Based on the recommendations of the consultant, the Advisory committee may review any provision contained in this policy directive.

4. The Prime Minister has approved the issuance of this Policy Directive in supersession of the Policy Directive issued on 19th December 2011 regarding "Introduction of Third Generation (3G) Mobile Services in Pakistan".

(Signature)
 (Muhammad Haroon Javed)
 Director (Telecom - Wireless)

o/c

To,

Chairman
Pakistan Telecommunication Authority (PTA)
Islamabad

cc:

- 1. PSO to Federal Minister for Finance
- 2. PSO to Minister of State for IT
- 3. PSO to Secretary to the Prime Minister
- 4. PSO to Secretary IT

MSD
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(Signature)
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(Signature)
7/10/10

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No. 1-1/2013-DT
Government of Pakistan
Ministry of Information Technology
(IT & Telecom Division)

Islamabad, the 11th September, 2013**NOTIFICATION**

**Subject:- ADVISORY COMMITTEE FOR SPECTRUM AUCTION FOR
NEXT GENERATION MOBILE SERVICES (3G AND
BEYOND) IN PAKISTAN**


The Prime Minister has been pleased to approve the constitution of an Advisory Committee, for Spectrum Auction for next generation mobile networks. The composition of the committee and ToRs are as under:

Composition:

- i. Federal minister for Finance (Chairman)
- ii. Federal Minister for Science & Technology
- iii. Minister of State for Information Technology
- iv. Secretary, Finance Division
- v. Secretary, IT & T
- vi. Secretary, Law & Justice Division
- vii. Member Telecom, Ministry of IT & T (Committee Secretary)
- viii. Chairman, Pakistan Telecommunication Authority (PTA)
- ix. Executive Director, Frequency Allocation Board (FAB)
- x. Any other person that this committee may wish to co-opt

Terms of Reference:

- i. To examine and finalize the policy directive on spectrum auction for next generation mobile networks
- ii. To oversee the auction process to be conducted by Pakistan Telecommunication Authority.


(Imtiaz Asghar Siddiqui)
Section Officer (DT)

To:

1. PSO to Federal Minister for Finance (Chairman)

- 2. PSO to Federal Minister for Science & Technology
- 3. PSO to Minister of State for Information Technology
- 4. PSO to Secretary to Prime Minister
- 5. PSO to Secretary, Finance Division
- 6. PSO to Secretary, IT & T
- 7. PSO to Secretary, Law & Justice Division
- 8. PS to Member Telecom, Ministry of IT & T
- 9. PSO to Chairman, Pakistan Telecommunication Authority (PTA)
- 10. PSO to Executive Director, Frequency Allocation Board (FAB)

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(Signature)
 (Imtiaz Asghar Siddiqui)
 Section Officer (DT)

