

**AZAD JAMMU AND KASHMIR COUNCIL
SECRETARIAT**

Islamabad, the 17th August, 2017.

POLICY DIRECTIVE FOR NEXT GENERATION MOBILE SERVICES IN AJ&K/G.B.

No.DII-1/3/2013-AJ&KC.- In exercise of the powers conferred by sub-section (2) of section 8 of the Pakistan Telecommunication (Re-organization) Act, 1996 as enforced in Azad Jammu and Kashmir by virtue of AJ&K Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 2005 and in Gilgit Baltistan by virtue of G.B. Council adaptation of Laws Act, 2012, the Azad Jammu and Kashmir Council/G.B. Council is pleased to approve the following Policy Directive for Next Generation Mobile Services in Azad Jammu and Kashmir/Gilgit Baltistan:-

- i) Transparent, competitive auction will be conducted for spectrum allocation for deployment of next generation mobile networks. The allocation will be technology neutral and usable for technologies standardized for 3G and advanced generation(s) of mobile services.
- ii) As finalized by the PTA & MoIT in collaboration with the FAB, the following frequency blocks for provision of NGMS spectrum auction in AJ&K/GB are suggested:-

For Auction:

- a) Three blocks of 10 MHz each in 2100 MHz (Block A).
 - i) 1920-1930/2110-2120 MHz (Block A)
 - ii) 1930-1940/2120-2130 MHz (Block B)
 - iii) 1940-1950/2130-2140 MHz (Block C)
- b) One block of 10MHz in 1800 MHz band
 - i) 1775-1785/1870-1880 MHz

Earmarked for SCO:

- a) One block of 10MHz in 2100 MHz band
1950-1960/2140-2150 MHz
 - b) One block of 10MHz in 1800 MHz band
1759.1-1769.1/1854.1-1864.1 MHz
- Only those operators who participate in the auction of 2100 MHz band can bid for 10MHz in 1800 MHz band.
- iii) PTA will 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 will hire services of a suitable local consultant/consulting firm to calculate the base price and to design auction process. The expenditure incurred on the consultancy will be met by PTA out of the auction proceeds.
 - v) The Base Price shall be approved by the Council on recommendations of Auction Supervisory Committee (ASC). While recommending the base price ASC may consider the consultant's recommendations in respect of base price.

Contd....P/2.

- vi) All existing Telecom operators in Pakistan, AJ&K and GB 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) The auction winners may deploy renewable energy sources as power back up.
- ix) PTA shall revise Quality of Service (QoS) and Roll Out obligations ensuring that the QoS delivered to people shall be in accordance with international standards.
- x) The transactions related to the Spectrum Auction will be in US Dollar denominated, however, the amount can either be paid in US Dollar or in equivalent Pak Rupees at NBP TT selling rate prevailing on the date preceding the date of payment. The PTA shall transfer 100% fee/charges to the Council less the administrative charges/cost of regulation within thirty days from the receipt of such fee/charge etc.
- xi) The following payment options would be available to successful applicants:-
 - a) Full upfront payment; or
 - b) Minimum 50% upfront payment, while the remaining to be paid in 5 equal installments in 5 years with mark-up rate of 3% + LIBOR. The remaining 50% shall also be US Dollar denominated, however, the amount can either be paid in US Dollar or in equivalent Pak Rupees at NBP TT selling rate prevailing on the date preceding the date of payment. Moreover, if auction winner intends to pay the remaining balance liability on account of initial spectrum fee at any time before the end of 5 years, it would be acceptable and without any pre-payment penalties. However, mark-up rate at LIBOR + 3% shall be payable on the balance amount till the date the final payment is made.
- xii) Late payment additional fee at a rate of 2% per month on the installment due or part thereof from the due date till paid shall be levied. The license shall be suspended terminated in case licensee fails to make the payment. In case the license is suspended terminated on account of non-payment of any installment of initial spectrum fee, the outstanding amount shall be recovered as arrears of land revenue in addition to any other penalties to which the licensee may be liable under the Act/Rules/Regulations and terms & conditions of the license.
- xiii) No further NGMS related auction will be carried out for 18 months from the date of auction. However, for any spectrum and the license for a new operator, if remains unsold from this auction, PTA retains the right to hold or dispose of the same as deemed appropriate.
- xiv) The arrangement for national roaming and infrastructure sharing shall be commercially negotiated between the Operators and in case of any dispute legal arbitration process shall be followed.
- xv) PTA shall seek the express approval of Azad Jammu and Kashmir Council/G.B. Council where the Council's obligations and liabilities are materially increased.

xvi) Supervisory committee with the following composition is formed to oversee the auction process:

- Minister for KA&GB/Minster In-charge AJK Council Secretariat, Islamabad;
- Secretary KA&GB/AJ&K Council Secretariat;
- Additional Secretary, MoIT and Telecom, GoP Islamabad.
- Additional Secretary/Joint Secretary, AJ&K Council/GB Council Secretariats;
- Chairman PTA;
- Executive Director FAB;
- Joint Secretary, Law & Justice Division , GoP, Islamabad; and
- Any other member co-opted by the committee.

xvii) ToRs of Supervisory Committee:

- (a) To oversee the auction process to be conducted by PTA.
- (b) Removal of any difficulties during auction process.

xviii) The supervisory Committee will be kept informed/updated regarding the progress of auction process.


(SHER ALAM MAHSUD)
JOINT SECRETARY

✓ **The Chairman,
Pakistan Telecommunication Authority,
Islamabad.**

Copy for information to:

- i) Joint Secretary, GB Council Secretariat, Islamabad.
- ii) PSO to Federal Minister for KA&GB/Minister In-charge, AJ&K Council Secretariat, Islamabad.
- iii) Executive Director FAB, Islamabad.
- iv) SPS to Secretary, MoIT, Islamabad.
- v) SPS to Secretary, Law & Justice Division, Islamabad.
- vi) SPS to Secretary, M/o KA&GB, Islamabad.