

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

No. F. 1-1/2013-DT

Islamabad, March, 2017

Subject: **POLICY DIRECTIVE FOR AUCTION OF UNSOLD NEXT GENERATION MOBILE SERVICES (NGMS) SPECTRUM IN PAKISTAN**

The undersigned is directed to enclose herewith the subject Policy Directive of even number dated 27th March 2017 duly approved by the Federal Cabinet for further necessary implementation by PTA please.


(Atif Rashid Khattak)
Section Officer (Admn)
PH: 9209785

✓ **The Chairman,**
Pakistan Telecommunications Authority,
Islamabad

CC:

1. PSO to Secretary to the Prime Minister, PM's Office, Islamabad.
2. PSO to Secretary, Cabinet Division, Islamabad.
3. PSO to Secretary, Finance Division, Islamabad.
4. SO to Secretary IT, Islamabad.

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The spectrum auction for Next Generation Mobile Services in Pakistan was conducted in April 2014 under the Policy Directive issued by the Federal Government. 30 MHz paired spectrum in 1.9/2.1 GHz, 20 MHz paired spectrum in 1.8 GHz band and 7.38 MHz paired spectrum in 850 MHz band (only for new entrant) were put to auction. During the auction, all 30 MHz paired spectrum in 1.9/2.1 GHz and 10 MHz paired spectrum in 1.8 GHz band were sold whereas a block each in 1.8 GHz and 850 MHz remained unsold.

2. Consequent to the auction, issuance of respective licenses and launch of 3G/4G mobile broadband services the demand for data services grew exponentially along with the subscriber base that expanded from less than 3% to over 17% (28 million at the end of 1Q'2016). This growth spawned demand for more frequency spectrum, being the key input factor for quality high speed services and hence, subsequently, 10 MHz paired spectrum in 850 MHz was auctioned in June 2016 by PTA under the Policy Directive issued by this Ministry. The growth in the sector and demand for mobile broadband services is continuously gaining momentum. As of January 2017, there are more than 38 million mobile broadband subscribers and cellular operators are constantly adding millions of subscribers on a quarterly basis. To keep up with the growth, more frequency spectrum is expected to be required by the operators.

3. Keeping in view of the above, the Prime Minister constituted an Advisory Committee to determine among other elements of policy regarding auction of frequency spectrum, the base price of the spectrum by analyzing the market



developments (Annex I). The Advisory Committee based on the emerging market scenario analysis conducted by PTA, FAB, and MoIT&T, has recommended auctioning of the 10 MHz paired spectrum in the 1800 MHz frequency band as a single block.

4. Based on the recommendation of Advisory Committee, the Federal Government, using powers conferred by the Section 8(2) of the Pakistan Telecommunication (Re-organization) Act 1996 (Amended 2006), is pleased to issue the following directives for compliance of the Pakistan Telecommunications Authority:

- i. Transparent competitive auction process will be launched by PTA for assigning a single block of 10 MHz paired spectrum in the 1800 MHz band.
- ii. PTA will design the auction process to ensure fulfillment of the policy objective of optimal outcome mitigating chances of collusion among bidders. The auction shall accordingly be conducted by PTA in the minimum possible time after the issuance of this directive within the financial year 2016-17.
- iii. Base Price for the 10 MHz paired spectrum as a single block shall be USD 295 million and payments terms and other conditions will be based on 2014 NGMS auction Information Memorandum (IM).
- iv. All existing cellular mobile operators (CMOs) as well as new players will be eligible to participate in the auction.
- v. The spectrum assignment will be technology neutral and usable for all Next Generation Mobile Services (including 3G/4G and advanced generations).
- vi. New license for the provision of NGMS will be issued to the successful bidder. The tenure of frequency assignment will be 15 years.
- vii. For efficient and optimal rollout of next generation mobile services, provisions of spectrum, infrastructure sharing, Quality of Service (QoS)



and national roaming as provided in the Telecommunications Policy 2015 will be applicable.

5. The Competent Authority has approved the issuance of this Policy Directive.



(Mudassar Hussain)
Member Telecom

The Chairman,
Pakistan Telecommunications Authority,
Islamabad

Copy to:

1. Secretary to the Prime Minister, PM's Office, Islamabad.
2. The Secretary, Cabinet Division, Islamabad.
3. The Secretary, Finance Division, Islamabad.
4. The Secretary IT, Islamabad.