



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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**Enforcement order under sub-section 3 of section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 against M/s. Telpoint
Communication (PVT.) Ltd**

File No. 15-26/CPPS-35/Fin/PTA

Date of Issuance of Show Cause Notice: 26th April, 2006

Venue of Hearing: PTA HQs, Islamabad
Date of Hearing: 4th October, 2006

The Panel of Hearing Present:

Director General (Finance):	Head
Director (Litigation & Adjudication):	Member
Director (Wireline Licensing):	Member

The Issue:

“Non payment of PTA dues”

EX-PARTE DECISION OF THE OFFICERS OF THE AUTHORITY

BRIEF FACTS:

M/s. Telpoint (Pvt.) limited (the “licensee”) is a private limited Company incorporated under the Companies Ordinance, 1984 and is engaged in the business of Card Payphone services pursuant to the non-exclusive license No. DIR(C)/L/PTA/299/2000 dated 31st October, 2000 (the “license”) issued by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Payphone services in Pakistan on the terms & conditions contained in the license.

2. The licensee defaulted in payment of PTA dues for the years ended 2002 to 2005 amounting to Rs. 746,208/-. In this regard the licensee was requested repeatedly by PTA but in vain. Hence, a Show Cause Notice (the “Notice”) dated 26th April, 2006 was issued to the licensee under section 23 of the Act and the licensee was required to remedy the contravention by clearing outstanding liabilities and also submit written reply to the Notice within thirty (30) days of the issuance of the Notice and explain as to

why the license should not be suspended, terminated or any other enforcement order should not be passed under section 23 of the Act against the licensee. The licensee submitted its reply vide letter dated 23rd May, 2006 whereby disputed the calculation of license fee and requested for sending demand note of actual payable dues. The stance of the licensee was looked into and it reveals that calculations of payable dues are accurate and licensee's stance is incorrect rather continuity of the same stance which has been clarified many times. Therefore, before passing any enforcement order a hearing was convened on 4th October, 2006 which was communicated to the licensee vide Hearing Notice dated 22nd September, 2006 but the licensee did not attend today's hearing despite the fact that matter was in the knowledge of the licensee and hearing notice has also been received by the licensee.

3. Therefore, the Panel has no option but to decide the matter *ex-parte* on the basis of available record.

(a). The licensee was obliged under conditions 2.3(b) and (c) of the modified license vide letter dated 31st July, 2003 and sub-regulation (2), (3), (4) and (5) of Regulation 7 of Card payphone Regulations, 2004 to pay annual license fee to the Authority.

(b) The Authority has been making repeated requests to the licensee vide various letters including dated 5th January, 2003, 25th February, 2003, 25th March, 2003, 10th May, 2003, 10th June, 2003, 13th December, 2003, 6th February, 2004, 1st April, 2004, 25th June, 2004, 5th August, 2004, 24th December, 2004, 12th January, 2005, 22nd February, 2005, 10th March, 2005, 24th May, 2005, 3rd June, 2005, and 25th October, 2005 requiring the licensee to make the payments, but the licensee never responded in positive.

(c) The licensee vide letter dated 25th May, 2003 requested for downgrading its license and further requested for adjustment of license fee which was responded vide PTA letter dated 10th June, 2003 that no adjustment of initial license fee can be done in case of downgrading the license from country to province level. Later on the licensee vide letter dated 16th September, 2003 surrendered its request. The licensee then vide letters dated 29th January, 2005 made request for payment in installments. The licensee also agitated the demand of Rs. 799,584 vide letter dated 6th April, 2005 in response to PTA letter dated 10th March, 2003 which was responded vide PTA letter dated 21st April, 2005. In this regard a meeting was also arranged vide letter dated 30th January, 2006 regarding payment of outstanding dues. The licensee attended the meeting and thereafter submitted its reservations regarding calculation of annual fee vide letter dated 25th February, 2006 which was responded by PTA vide letter dated 2nd March, 2006 and required the licensee to make the payment by 15th March, 2006 else action under section 23 of the Act will be initiated. As licensee failed to deposit PTA dues on one pretext or the other, which constitute sheer disregard to the writ of the Authority. Therefore, hearing has also been convened on 4th October, 2006 and communicated to the licensee on same address where Notice was served, but licensee opted not to attend today's hearing.

(d). Foregoing factors led the panel to believe that the Licensee deliberately avoided to attend the today's hearing establishing an irresponsible attitude of the licensee towards the writ of the Authority.

4. ORDER

4.1. Keeping in view the above mentioned facts coupled with the available record, the Panel hereby decides to proceed *ex-parte* against the licensee by passing the following enforcement order:

- (a) License of M/s. Telpoint (Pvt) Ltd is hereby suspended and PTCL is directed to terminate forthwith all telecom facilities extended to the licensee.
- (b). M/s. Telpoint (Pvt) Ltd is directed to deposit all payable dues including Rs. 746,208/- ALF up to 30th June, 2005, at which its license will be restored.
- (c). In case of failure of the licensee to deposit PTA dues as provided in Para 4.1 (b) above, license No. DIR(C)/L/PTA/299/2000 dated 31st October, 2000 of the company shall stand terminated and recovery proceedings under section 30 of the Act shall be initiated by the Authority against the company for recovery of dues as land revenue.

Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

5. This determination is passed on 4th October, 2006 and comprises 03 pages.