

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

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No.1-1/2013-DT

Islamabad, the 2<sup>nd</sup> April, 2016

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

The spectrum auction for Next Generation Mobile Services in Pakistan was conducted in April 2014 under the Policy Directive issued by the Federal Government i.e. Ministry of IT. 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 10 MHz paired spectrum in 1.8 GHz band and 7.38 MHz paired spectrum in 850 MHz remained unsold.

2. Consequent to the auction and issuance of licenses, 3G/4G mobile broadband services were launched by telecom operators which brought Pakistan at par with the most advanced countries in terms of mobile broadband technologies. The demand for data services grew exponentially and in less than two years, the subscriber base of 3G/4G mobile broadband users has crossed 28 million which amounts to a growth from less than 3% to over 17% and is still on the rise. With this rapid growth and escalating demand of mobile broadband services, requirement of more frequency spectrum, which is a critical input for high quality mobile broadband services, is foreseen in near future. This is to ensure that operators can expand their services and meet the international quality of service standards.

3. Keeping in view of the above, the Prime Minister constituted an Advisory Committee to review the market assessment report of Pakistan Telecommunication


Authority (PTA) and to recommend a way forward in this regard (Annex I). The Advisory Committee based on the report and emerging market scenario analysis by PTA, FAB, MoIT and keeping in view the necessity of cost effective rollout of services in the rural areas of the country, has recommended auctioning of the available spectrum in the 850 MHz frequency band.

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 be launched by the PTA for allocation of one block of 10 MHz paired spectrum (824-834 (uplink), 869-879 MHz (downlink)) in 850 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 2015-16.
- iii. Base Price for the 2x10 MHz paired spectrum shall be USD 395 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 for sharing of infrastructure and national roaming as provided in the Telecommunications Policy 2015 will be applicable.

5. The Prime Minister 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 IT, Islamabad