

**Government of Pakistan
Ministry of Information Technology
(IT & Telecom Division)**

No.2-30/2003-DT

Islamabad, the 4th April 2007

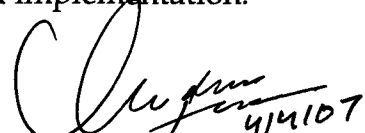
Subject: **RESPONSE OF MOIT TO PTA CONSULTATIVE PAPER ON REVIEW OF
MOBILE VIRTUAL NETWORK OPERATORS (MVNOs) FRAMEWORK.**

Reference PTA's consultative paper for the review of MVNO framework issued by the Authority, vide circular No. 8-31/05/WLL&M/PTA dated 20th March 2006.

2. PTA had come up with the policy mandated governing framework, for operation of MVNOs services, through the afore-mentioned circular after a similar consultation in 2006. Ministry of IT had submitted its comprehensive response, to the initial consultation paper, in the form of guideline letter No. 2-30/2003-DT dated 17th March 2006 (copy annexed). However a need for review of the issued framework was felt which has led to the issuance of the fresh consultation paper. Ministry had on several occasions communicated the need for bringing the framework in line with the best practice adopted for operation of MVNOs around the world.

3. After going through the fresh consultative paper/draft framework, Ministry of IT appreciates the efforts and study carried out by PTA for a wholesome review of the existing framework. All provisions of the MoIT's earlier guidelines have also been given due consideration.

4. The adapted new framework will dynamically cater for the needs of the prospective investors in this segment according to the facilitative spirit of the Policy. MVNO regime can now be finalized for announcement, introduction and implementation.


(MUDASSAR HUSSAIN)
Director (Telecom Wireless)

Encl: (as above)

Chairman,
Pakistan Telecommunication Authority,
Islamabad.

Copy to:- Secretary Cabinet Division, Islamabad
Director (WLL & M), PTA HQs, Islamabad

AD/(M)

LAJ
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Mr. Azhar
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Government of Pakistan
Ministry of Information Technology
(IT & Telecom Division)

No.2-30/2003-DT

Islamabad, the 17th March 2006.

Subject: POLICY GUIDELINES AND RESPONSE OF MOIT TO PTA CONSULTATIVE PAPER ON MOBILE NETWORK OPERATORS (MNOs) AND MOBILE VIRTUAL NETWORK OPERATORS (MVNOs).

The Cabinet approved Cellular Mobile Policy, issued in January 2004, authorized PTA to prepare a detailed framework under which the Mobile Network Operators (referred to as MNOs), would be permitted to have commercial arrangements with other companies to act as Mobile Virtual Network Operators (MVNOs). Accordingly, PTA had to come up with the governing framework, within MNO rights and obligations, for operation of services by MVNOs within two years of the issuance of the Policy. Public consultation for the subject framework, based on two models, was floated by PTA embodying the recommendation for adoption of a simple reseller/distributor type of model (Category II of the draft Consultative Paper).

2. After going through the consultative paper/draft framework, Ministry of IT requests PTA to observe policy guidelines entailing that any framework for MVNO should inter-alia also include MNO rights, obligations and general principles as given below.

- i) Frequency spectrum, being a national scarce resource, has been allocated to Licensed MNOs through auction process and their right on this spectrum is indefeasible and cannot be diluted. Rather MNOs may have commercial arrangements with MVNOs, complying with license obligations for such scarce resource.
- ii) Regulatory mechanism for MVNO should be effected through an appropriately designed template for a separate category within Class Licensing Framework of PTA.
- iii) All relevant national security requirements applicable to the MNOs, as part of their licenses, be explicitly mentioned in the class license template for the MVNOs.

- iv) Similar to MNOs, the MVNO Class license template should be on national basis, in the interest of ease of enforcement and respecting MNO jurisdiction.
- v) The level of upfront/recurring fee for MVNOs be kept to a minimum level. Upfront fee may not exceed USD 10,000 (LL benchmark). Minimal annual Recurring charges be defined in the template.
- vi) Other annual contributions (R&D and USF) should be payable through parent MNOs. Details about consolidation and operational mechanism to be fixed in the template.
- vii) The scope of the MVNO operations should be left to the terms agreed on a commercial basis between MNOs and the MVNOs based on MVNO template and respective business case.
- viii) Numbering codes and blocks be issued in advance to MNOs for assignment to MVNOs. Same will be kept in trust and numbering fees will accrue once the block gets activated by MVNO through the MNO.
- ix) MVNOs should be allowed room for establishing brand through codes and blocks, branding SIMs and offering VAS for service differentiation.
- x) MVNO should be responsible for customer acquisition, customer management and service provisioning within the commercial terms agreed with MNO.
- xi) MVNOs should be allowed to use only parent MNO's interconnect/roaming arrangements.

3. PTA's suggested framework for MVNOs be improved in the light of above guidelines closing the consultative process. MVNO regime be finalized accordingly for announcement, introduction and implementation by submitting the final framework to Ministry of IT please.

Chairman,
Pakistan Telecommunication Authority,
Islamabad.

Copy to:- Secretary, Cabinet Division, Islamabad

