

Trade in Services

**PAKISTAN**

**Schedule of Specific Commitments**

**Supplement 2**

**Revision**

(This is authentic in English only)

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This text supplements the entries relating to the Telecommunication services section contained on pages 7 to 8 of document GATS/SC/67.

## PAKISTAN - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of delivery: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><u>General conditions of this schedule:</u> This offer is subject to following general conditions:</p> <ul style="list-style-type: none"> <li>- Policy, regulatory and operation functions are separate and compliance is necessary.</li> <li>- All services to be provided in Pakistan shall require a licence from the Regulatory authority established under the law.</li> <li>- Operators and Service providers may be granted licence in accordance with the local legislation.</li> <li>- The number of operators, service providers and licensees may be limited due to technical constraints.</li> <li>- The confidentiality of International Total Accounting Rate (TAR) shall be maintained.</li> <li>- The bilateral agreements on accounting rates shall be in accordance with ITU guidelines.</li> <li>- Up to 100% foreign investment on licensed services may be permitted</li> <li>- This schedule on basic telecommunications does not include any broadcasting services<sup>1</sup>.</li> </ul>			
<p><u>2.C. Telecommunications Service</u></p> <p>Local, domestic long distance and international services, for public:</p>	<p>Until 2003, no bypass<sup>2</sup> of PTCL network and PTCL shall have exclusivity.</p> <p>None as of 1.1.2004.</p>		<p>About 12 per cent stake of the Pakistan Telecommunication Corporation (PTC), the sole operator for all basic Telecommunication services was sold to the national and international buyers in 1994-95 through two different offers of PTC vouchers in national and international financial markets.</p>

<sup>1</sup>Broadcasting service is defined as a radiocommunication service in which the transmissions are intended for direct reception by the general public. This service may include sound transmission, television transmissions or other types of transmissions. In Pakistan Telecom Law, like many other countries, broadcasting is not part of basic telecommunication services.

<sup>2</sup>The GMPACS/Satellite operators shall be reputed to pass traffic via Pakistan PSTN through transit and Gateway exchanges, specially in case of overseas communication from Pakistan. Any operation contrary to this shall be termed as "bypass."

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(a) Voice telephone services	(1) All telecommunication services shall be provided by licensed operators subject to the exclusivity period of 7 years for basic telephony services under the law in favour of PTCL. This exclusivity shall expire by the year 2003.  None as of 1.1.2004.	(1) Unbound	The offers were many times over subscribed. The Corporation has been, inter alia, converted into a limited company namely Pakistan Telecommunication Company Ltd (PTCL) with effect from 1 January, 1996 through the promulgation of a law. Bounds with US\$ 150 million have been floated with an option to convert them into PTCL shares.
(a) Voice telephone services (cont'd)	(2) Alternative practices such as call back are not allowed. Country direct card service can only be permitted by mutual agreement with the licensed operator.  (3) Unbound  (4) Unbound except as indicated in horizontal section.	(2) Unbound  (3) Unbound  (4) Unbound except as indicated in horizontal section.	

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(b) Packet-switched data, E-mail, Internet and Intranet services	(1) Until 2003, except for domestic VSAT, only through network facilities of PTCL. The regulatory authority to grant licences and authorizations to private companies for operation of data, E-mail, Internet and Intranet services in addition to the licences already granted.	(1) Unbound	Privatization of PTCL is on the anvil. The management of the Company shall be transferred to the selected strategic operator. Exclusive licence for operation of basic telephony services for a period of 7 years granted to the PTCL.
(c) Circuit-switched data transmission services	(2) None (3) Subject to technical constraints, the regulatory authority to grant licences and authorizations to private companies for operation of domestic VSAT, data, E-mail, Internet & Intranet services in addition to the licences already granted. (4) Unbound except as indicated in horizontal section.	(2) None (3) None except for technical constraints (4) Unbound except as indicated in horizontal section.	The Pakistan Telecommunications (Re-organisation) Law has been passed as an Act of Parliament in October 1996. An independent Regulatory Authority and a Frequency Allocation Board have been established. Chairman members and other essential staff of these bodies is already in place. The Authority and Board are already functional. To support effective regulation and spectrum management GOP is undertaking of PTA & FAB.

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(d) VSAT for domestic data services	(1) The regulatory authority to grant licences and authorizations to private companies for operation of VSAT for domestic data, E-mail, Internet and Intranet services in addition to the licences already granted	(1) None	The Pakistan Telecommunication Authority established under the law as an independent body is responsible to:
	(2) None	(2) None	- Regulate telecommunication services.
	(3) None	(3) None	- Grant and renew licences.
	(4) Unbound except as indicated in horizontal section	(4) Unbound except as indicated in horizontal section	- Promote and protect the interests of consumers
			- Promote efficient, cost effective and competitive services.
			- Carry out inspections.
			- Regulate tariffs.
(e) Telex services	(1) None	(1) None	
	(2) None	(2) None	
	(3) None	(3) None	
	(4) Unbound except as indicated in horizontal section.	(4) Unbound except as indicated in horizontal section.	

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(f) Telegraph services	<p>(1) The regulatory authority shall grant licences and authorizations to private companies for operation of Telegraph services using PTCL infrastructure until 2003.</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section.</p>	<ul style="list-style-type: none"> <li>- Prescribe standards</li> <li>- Determine terms of interconnection agreements.</li> <li>- Investigate and adjudicate on complaints.</li> <li>- Enforcement on valuation</li> <li>- International traffic and accounting settlements.</li> <li>- Issue regulations.</li> <li>- Receive applications for frequency allocation.</li> </ul>
(g) Facsimile services	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section.</p>	

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(h) Private leased circuit services	(1) Pakistan Telecommunication Company Limited except for domestic VSAT, is the exclusive service provider for seven years. This exclusivity shall expire by the year 2003.  None as of 1.1.2004.	(1) Unbound	The frequency allocation Board established under the law is responsible to allocate and assign frequency spectrum for telecommunication, broadcasting public and private wireless services and classify radio telecommunication services.  Appeals against the decisions of the Authority may be filed in the High Court.  Following services have been licensed to the private operators and further licensing could be possible:
	(2) None	(2) None	
	(3) Pakistan Telecommunication Company Limited except for domestic VSAT, is the exclusive service provider for seven years. This exclusivity shall expire by the year 2003.	(3) Unbound	
	(4) Unbound except as indicated in horizontal section.	(4) Unbound except as indicated in horizontal section.	

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(i) Video conferencing tele- medicine and tele-education terminal end services	<p>(1) The regulatory authority shall grant licences and authorizations to private companies for operation of video-conferencing, tele-education and telemedicine services, using PTCL network until seven years.</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<ul style="list-style-type: none"> <li>- Cellular Mobile telephone services.</li> <li>- Card pay phones services</li> <li>- Paging</li> <li>- Data network operation</li> <li>- Voice Mail Service</li> <li>- Audio Tex Service</li> <li>- Trunk Radio service</li> <li>- Electronic Mail and internet services</li> <li>- Use of domestic satellites for provision of telecom services</li> <li>- Manufacture of telex, fax, all PABXs/Digital exchanges and modems</li> <li>- manufacture of Fibre/Optic/copper cables</li> <li>- manufacture of telephone sets, terminal equipment answering machine etc.</li> <li>- manufacture of jointing material for copper/optic cables</li> </ul>



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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(j) Trunked radio service	<p>(1) The regulatory authority to grant licences and authorizations to private companies for operation of Trunked Radio service in addition to the licences already granted using PTCL network until 2003.</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>Regulatory Authority shall grant licences on competitive basis as per telecom law and regulations.</p> <p>Regulatory Authority may grant licences for satellite based services on following conditions:</p> <p>(a) Frequency clearance by Board</p> <p>(b) Security and sovereignty regulations</p> <p>(c) Availability of ITUT/R standards</p> <p>(d) resolution of cross-border communication issues; and</p> <p>(e) resolution of Customs procedures</p>
(k) Satellite based telephony services, including value added services operating over satellite	<p>(1) Maintaining PTCL exclusivity for seven years on basic and international telephony services and safeguarding PSTN bypass licences shall be granted</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None except for technical, sovereignty, security constraints and safeguarding PSTN bypass</p> <p>(4) Unbound except as indicated in horizontal section</p>	

ATTACHMENT TO PAKISTAN'S SCHEDULE

(Reference Paper)

1. Transparency of Regulations

- 1.1 Laws and regulations pertaining to provisions of basic telecom services shall be published.
- 1.2 Advanced public notice and a fair opportunity will be provided for interested parties to comment on proposed measures affecting the provision of basic telecom services.
- 1.3 The Regulatory Authority consists of three members, one is a professional telecom engineer and other two are technical and financial experts, appointed by the Government for a term of four years and eligible for appointment for a similar term.
- 1.4 Any member of the Authority shall not have any direct or indirect financial interest in, or have business connection with any person, any establishment or firm which renders telecom services in Pakistan or abroad. For above purpose even any involvement of the spouse or blood relation of any member of the Authority with any telecom firm shall be considered as a direct financial interest or connection with such firm.
- 1.5 The Authority shall ensure that:
  - (a) rights of licensees are duly protected;
  - (b) decisions and determinations are made promptly in open, equitable, non-discriminatory, consistent and transparent manner;
  - (c) the persons affected by its decisions or determinations are given a due notice and provided opportunity of being heard.
- 1.6 A person aggrieved by any decision or order of the Authority can within thirty days of the receipt of order, appeal to the High Court and the Court shall decide such appeal within ninety days.
- 1.7 A person aggrieved by any decision or order of any officer of the Authority may, within thirty days of the order, appeal to the Authority and the Authority shall decide such appeals within thirty days.

2. Interconnection and Numbering

- 2.1 In the event that a service supplier is unable to reach agreement with any or dominant service supplier or interconnection, following a reasonable amount of time, either party may refer the dispute to the Regulator in Pakistan.
- 2.2 Service suppliers shall be required to disclose information concerning technical measures/parameters that will affect use of such facilities for other service suppliers.
- 2.3 The Regulatory Authority shall exercise all powers to enable it to effectively provide guidelines for, and determine, the terms of interconnection arrangements between licensees where the parties are unable to agree.

2.4 Authority shall develop/assign non-discriminatory national telecommunication numbering plans.

3. Competition Safeguards and standards

3.1 When facilities-based service supplier with dominant market position is found engaged in unfair or anti-competitive practices, remedial measures will be available.

3.2 When dominant service supplier provides a competitive service he shall establish separate accounting procedure for the competitive service. Cross subsidy is not permitted.

3.3 The Authority shall notify and publish regulations for establishing national standards for telecom equipment and services. The Authority can specify different standards for different classes of telecom equipment/services and establish procedure for testing.

3.4 The Authority shall not restrict the type of telecom equipment that may be used for the establishment, maintenance or operation of telecom systems or services.

4. Tariff Regime

The level of tariffs for telecom services including basic telephone service shall be regulated by the Authority in accordance with the regulations including following principles:

4.1 The regulations shall apply equally to comparable provider/users of any regulated telecom service;

4.2 The criteria used for the establishment of tariff shall regularly be published three months before the criteria is adopted;

4.3 Tariffs shall be at a level which provides a reasonable rate of return on investments taking into account the cost of operation; and

4.4 There shall be no cross-subsidization of other telecom services by basic telephone service.

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