



Chairman, Pakistan Telecommunication Authority (PTA) Syed Ismail Shah

ICMAP: Please tell us briefly about your Authority, regulatory role, level of independence and the key stakeholders including organizations that come into your domain?

SIS: Pakistan Telecom Authority (PTA), since its establishment in 1996, kept a holistic approach for the development of telecom sector where consumer interest and business friendly environment remain the top priority on its agenda. The vision of the Authority to create an advanced, competitive, investor affable and consumer centric telecom environment in the country is the core of all regulatory activities of PTA. The development of Pakistan's telecom sector into a mature, competitive and progressive market has also brought new challenges to the front which are dealt with professional and reconciliatory approach by PTA. The Authority met with several challenges and issues and took appropriate measures according to the arising situations.

PTA regulates the entire telecom industry including Cellular Mobile Operators (CMOs), Long Distance (LDI) Operators, Local Loop Operators and Value Added (VAS) Operators and work closely with the telecom industry under the patronage of Government of Pakistan.

ICMAP: As per your charter, please identify the specific roles to promote the sector you are regulating and to protect the consumers' right?

SIS: PTA is the primary regulatory body for the telecom

sector in Pakistan and is responsible to:

- o Regulate the establishment, operation and maintenance of telecommunication systems and the provisions of telecommunication services;
- o Grant, renew, modify, transfer, monitor and enforce licenses for operating telecommunications systems and networks;
- o Regulate tariffs;
- o Promote and protect the interest of users of telecommunication systems and services;
- o Investigate and adjudicate on complaints in the telecommunication sector;
- o Authorize the type approval and use of telecommunication equipments; and
- o Provide guidelines to determine the terms of interconnect arrangements.

PTA has issued various rules, regulations and guidelines to regulate the different services provided by telecom companies operating in Pakistan. These include:

- o Pakistan Telecommunications Rules, 2000;
- o Access Promotion Contribution Rules, 2004;
- o Mobile Number Portability Regulations, 2005.
- o Universal Service Fund Rules, 2006

- o Research and Development Fund Rules, 2006;
- o Type Approval Regulations, 2004 (as amended from time to time);
- o Class Value Added Services Licensing and Registration Regulations, 2007 (as amended from time to time);
- o Pakistan Telecommunication Authority (Functions & Power) Regulations, 2006 (as amended from time to time); and
- o Telecom Consumer Protection Regulations 2009 (as amended from time to time);

PTA, as Regulator of the sector, guarantees the protection of telecom consumers' rights by setting strict quality measures for the operators. PTA is making every effort to facilitate the consumers and its recent initiatives are evident to this claim. Realizing consumers' interests and their rights, PTA has formed a Consumer Protection Directorate to handle their complaints. CPD comprises of a Complaint Cell which can easily be accessed by consumers through a number of channels including Toll Free Number, telephone, fax, e-mail, PTA's website, post mail and by person visitation. Furthermore, consumers can also access PTA's Zonal offices at provincial capitals for early redressal of their complaints.



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ICMAP: How the concerned ministry facilitate in achieving your objectives?

SIS: We have very good understanding with all the relevant government agencies specially Ministry of Information Technology & Telecom (MoIT). I would like to mention here that Spectrum Auction for Next Generation Mobile Services in Pakistan was also a priority of the Government. The dream of bringing Next Generation Mobile Services to Pakistani people was completed with the support of Govt, Ministry of Finance and Ministry of IT.

ICMAP: How do you set prices and is there any specific price fixation formula?

SIS: In case of mobile services, PTA used to regulate prices using Price Cap ceiling wherein maximum price was determined by PTA based on international benchmarking. In this regard, PTA fixed price cap ceiling of Rs. 6.25 per minute in 2001. The ceiling was reduced to Rs.5.75 per minute in 2002 for a period of two years. However, the GoP announced Mobile Cellular Policy in 2004 and awarded two additional mobile

licenses. It was mentioned in the Policy that the retail price cap on mobile licensees fixed from time to time by PTA will continue till such time the market in the view of PTA becomes sufficiently competitive. Resultantly, in 2005 PTA observed that the market has become very driven and operators including new ones were offering competitive tariffs. PTA adopted the policy of forbearance regarding regulation of mobile tariffs and abolished Price Cap ceiling. In case of fixed-line, PTCL was declared as Significant Market Power in 2004 and 2010. As a result, PTCL was required to take approval of their tariffs.

ICMAP: How your Authority involves the stakeholders while making policies and setting price structure?

SIS: Policy making is the domain of Federal Government and PTA carries out studies in house as well as engage services of consultants (local and international) to determine price structure of various services. In 2008, PTA hired services of renowned international consultant Ovum Plc to determine interconnection charges of fixed-line and mobile services based on Fully Allocated Costs (FAC) and Long Run Incremental Costs (LRIC).

ICMAP: How do you see the role of Management Accountants in formulating policies, specially setting and monitoring of prices?

SIS: Management Accountants have pivotal role in setting and monitoring of prices. As telecom sector is a specialized field, PTA is of the view that ICMAP should play its role and extend its services to telecom operators of Pakistan for setting their valuation as market forces are determining prices. PTA would definitely like to take assistance of Management Accountants for setting and monitoring of prices in case of any need.

ICMAP: ICMA Pakistan can render its technical services to your Authority in developing formula for costing and pricing. Would you be interested to sign MoU with ICMA Pakistan to undertake joint assignments?

SIS: PTA believes in enhanced mutual cooperation for research in the relevant field so PTA would like to further explore avenues to enhance the cooperation between two organization.

The interview ended with a vote of thanks to Syed Ismail Shah, Chairman, Pakistan Telecommunication Authority (PTA), who spared his valuable time and gave his candid views exclusively for this journal. – Editor