



## **SENATE OF PAKISTAN**

### REPORT OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

### **FOR THE PERIOD** **FROM JULY 2012 TO MARCH 2015**

Presented By

**SENATOR MUHAMMAD IDREES KHAN SAFI**

**CHAIRMAN COMMITTEE**

**MUHAMMAD HASSAN KHAN**

**Additional Secretary/Secretary Committee**



## Muhammad Idrees Khan Safi

Honorable Chairman,

Standing Committee on Information Technology & Telecommunications

## **FOREWORD**

It gives me great pleasure to present the report of the Standing Committee on Information Technology & Telecommunications. Since its constitution in July, 2012, the Committee had sixteen (16) meetings and engaged itself vigilantly to improve the functioning of Ministry of Information Technology and its attached bodies.

In fulfillment of its oversight role, the Committee took up several important issues falling under its ambit as laid down in Rule 166 of the Rules of Procedure and Conduct of Business and put forth recommendations aimed at improving the efficiency of Ministry of Information Technology. The Committee identified lacunas which may hamper the delivery of quality service if not addressed well in time.

I appreciate the tireless support and assistance provided by the Senate Secretariat, especially the Secretary Committee, Mr. Muhammad Hassan Khan, supporting staff of the Committee Branch and my personal staff in coordinating the Committee business in an efficient way though timely dissemination of the information to concerned segments.

It is worthwhile to appreciate the cooperation extended by the Ministry of Information Technology, Pakistan Telecommunication Authority (PTA), Universal Service Fund (USF), Special Communication Organization (SCO) and all other associated offices for producing the desired information in the form of working papers and complying with the Committee recommendations in letter and spirit.

**(SENATOR MUHAMMAD IDREES KHAN SAFI)**

**Chairman Committee**

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## **Abbreviations**

ASR	Approved Settlement Rates
CBCs	Community Broadband Centers
EBCs	Educational Broadband Centers
ECC	Economic Coordination Committee
FAB	Frequency Allocation Board
FIA	Federal Investigation Agency
ITU	International Telecommunications Union
ICH	International Clearing House
IGWE	International Gateway Exchange
LDI	Long Distance and International
NTC	National Telecommunications Corporation
OECD	Organization for Economic Co-operation and Development
PTA	Pakistan Telecommunication Authority
PTCL	Pakistan Telecommunications Company Limited
RDF	Research & Development Fund
SCO	Special Communications Organization
TIP	Telephone Industries of Pakistan
TWA	Trans World Associates
MRITT	Monitoring and Reconciliation of International Telephone Traffic
NRTC	National Radio Telecommunications Corporation
NTC	National Telecommunications Corporation
PASHA	Pakistan Software Houses Association
PSEB	Pakistan Software Export Board
PTCL	Pakistan Telecommunications Company Limited
PTML	Pakistan Telecommunications Mobile Limited
TF	Telecom Foundation
USF	Universal Service Fund

## **Introductory**

One of the primary functions of the Standing Committees is parliamentary oversight of the executive. The Committees are mandated to probe into the matters of public importance and suggesting affirmative actions through recommendations made during the meetings. Rule 187 of the Rules of Procedure and Conduct of Business in the Senate, 2012 empowers the Committees to require the attendance of any person or the production of papers or records for the performance of its functions.

Senate Standing Committee on Information Technology & Telecommunications is presently headed by Senator Muhammad Idrees Khan Safi. During the period from July, 2012 to March 2015, the Committee in exercise of its power as laid down in Rule 166 of the Rules of Procedure and Conduct of Business; raised various issues of public importance pertaining to provision of IT and Telecom services to the masses and suggesting remedial actions for further improvement in the functioning of Ministry of Information Technology.

### **Major issues discussed by the Committee.**

#### ***1. Next Generation spectrum auctions***

The Committee actively pursued Pakistan Telecommunication Authority (PTA) to present the long awaited 3G/4G spectrums for auction and closely monitored the entire auction process to ensure maximum revenue generation from the spectrum auctions. The Committee also advised that the receivables from the defaulting companies be settled before allowing them to participate in the auction or awarding 3G/ 4G licenses and preferred that the subsidiary organizations of the Government of Pakistan should be refrained from participating in the bidding process to ensure transparency and avoiding conflict of interest. The Committee in its meeting of 10<sup>th</sup> October 2013 was informed that an Auction Supervisory Committee headed by Federal Minister for Finance was constituted by the Prime Minister of Pakistan to finalize the policy directive on spectrum auction for next generation Networks (3G/ 4G/ LTE.) and also to oversee the auction process to be conducted by PTA.

After finalization of the policy directive of spectrum auction, PTA published a Request for Proposal (RFP) in the leading newspapers to acquire the services of consultants of international repute to provide professional analysis, input, and advice/recommendations for the successful completion of the auction in a transparent manner. Subsequently, seven (07) consultancy firms submitted

their financial and technical proposals, out of which five (05) were shortlisted on the basis of Technical Evaluation and “Value Partners Management Consulting Limited” a consortium consultant of USA, UK, Singapore and Spain, was declared as the successful bidder. On 23<sup>rd</sup> April, 2014 PTA successfully concluded the auction of spectrum for next generation mobile services and raised substantial revenue of more than \$1.1 billion to the national exchequer. In compliance with the recommendations of the Committee, none of the companies participating in the auction process had any outstanding dues. Similarly, no subsidiary organization of the Government of Pakistan participated in the bidding process.

The Committee also issued directives for the provision of 3G/4G services to Gilgit-Baltistan and Azad Jammu & Kashmir. The Committee was informed that the PTA has held several consultative meetings with the respective governments, last of which was held on 22<sup>nd</sup> December 2014, to determine market requirement and client base of those regions.

## **2. Suspension of You Tube services**

In 2012, a controversial anti-Islam movie, “Innocence of Muslims” uploaded in the video sharing website YouTube sparked a wave of violent protests in some of the Muslim countries. Comptant authorities decided to suspend You Tube services to avoid spillover effects of the protests in Pakistan. Later on, three member bench of the Supreme Court of Pakistan comprising of the then Honorable Chief Justice of Pakistan, Mr. Justice Iftikhar Muhammad Chaudhry, Mr. Justice Jawwad S. Khawaja and Mr. Justice Khilji Arif Hussain passed a judgment on 17<sup>th</sup> September, 2012 on **Constitution Petition No 104 of 2012** filed by the petitioners Mr. Muhammad Akram Sheikh, Mr. Tausif Asif and Qazi Hussain Ahmed, directing **“Chairman PTA to immediately block the offending material on U-Tube website and on any other website”**.

PTA took several measures to block the copies available on the internet; however, it became impossible to block each and every copy which pressed the authorities to prolong suspension of You Tube services in the country. The Committee was of the view that the orders of the apex courts were aimed at denying access to those controversial videos rather than a full scale suspension of You Tube which also is a source of information for researchers and students. The Committee on various occasions put forth recommendations for lifting the

ban on You Tube after blocking access to the copies of blasphemous movie so that the fundamental right of access to information can be ensured.

PTA officials apprised the Committee that a dedicated cell was constituted assigned with a task to identify and block sites containing blasphemous and pornographic contents. It was shared that a number of interneers are continuously working to identify the URLs and so far around 7000 websites containing blasphemous contents have been blocked by using filtration systems deployed with help of Trans World Associates (TWA) and PTCL. However, the presence of a large number of URLs containing copies of the blasphemous movie abstain the authorities to lift the ban due to fear of violent demonstrations by general public. The Committee was informed that negotiations with the Google Inc. has also been initiated to localize Google and You-Tube services in Pakistan, enabling us to deny access to pornographic and blasphemous contents within the country.

In a meeting of 10<sup>th</sup> December 2013, a Sub-Committee headed by Senator Osman Saifullah Khan was constituted to deliberate on the issue of You-Tube suspension. The Sub-Committee had a meeting on 9<sup>th</sup> January 2014 which was also attended by a representative from Google Inc., Mr. Mike Orgill in order to pay way for the resumption of You Tube Services and localization of Google Services in Pakistan. Google Representative informed the Committee members and participants that the decision as to whether to offer this service is a business, legal and commercial. So far, the legal environment in Pakistan is not conducive for the localization of You Tube services without the intermediary liability protection for online platforms and clear notice-and-take-down mechanism to bring these provisions into line with international best practice, such as OECD guidelines.

The Sub-Committee was informed that the MoIT in consultation with a German Consultant from ITU has drafted a bill to evolve cyber laws, which would be laid before the Parliament after the approval of the same by the Cabinet. Once the Bill is adopted by the Parliament, MoIT would be in a position to negotiate with Google Inc. for the localization of You Tube services in Pakistan.

### **3. *Provision of Telecom Services to un-served areas***

In a Committee meeting of 10<sup>th</sup> December 2013, the Committee expressed concerns over transferring USF money kept in a scheduled bank to Federal Consolidated Fund (FCF). The Committee was of the view that according to

Section 33 B of Pakistan Telecommunications (Re-organization)(Amendment) Act, 2006 this money must not be utilized in any other head other than provision of telecom services to the people in un-served, under-served, rural and remote areas.

However, the Committee was informed that USF Rules 2006 were in conflict with the section 2 (a) of Article 78 of the constitution, wherein it is stated that, ***“All other moneys received by or on the behalf of the Federal Government shall be credited to the Public Account of the Federation”***.

It was shared that USF Rules 2006 were amended accordingly to make it compatible with the Article 78 of the Constitution after the decision of Economic Coordination Committee (ECC) for transfer the funds to Federal Consolidated Fund (FCF). The Committee was ensured that the transferred money would not be utilized in any other head, other than that stated in PTA Act.

The USF representative informed the Committee that Educational/ Community Broadband Centers are being established in every underserved urban area having a population that exceeds 50,000 persons. It was shared that so far 1043 EBCs and 297 CBCs have been established in different regions of Punjab, Sindh and Khyber Pakhtunkhwa at places that are easily accessible.

The Committee expressed annoyance over neglecting the Balochistan and FATA while establishing EBCs and CBCs and also remarked that all of the 145 EBCs in the Khyber Pakhtunkhwa province have been established only in the Hazara Division which is a sheer injustice with the other parts of the province. Chairman Committee advised to give due consideration to the neglected areas, especially FATA and Balochistan in future schemes. The Chairman Committee also advised the USF to share the details of pending/ proposed EBCs and CBCs being established in the country.

The USF representative apprised the Committee that in Phase-I, 500 fiber optic interconnected Telecenters are being established in the rural parts of the country in collaboration with the provinces. In response to a query by Chairman Committee regarding the division of 500 Telecenters and quota of FATA, the Secretary MoIT informed that Committee that the distribution of 500 centers among different federating units would be on the basis of NFC Formula and seven (07) centers are will be established in FATA. The Committee

put forth recommendations for increasing the number of centers in un-served and under-developed parts of the country.

The Committee was informed that an I.T Park - first of its kind- is being constructed in Chak Shehzad. It was shared that the idea of establishing I.T Park was floated in 2003, which did not materialize up till now. It was shared that construction of I.T Park would be completed with the help of World Bank. The Committee recommended that such projects should also be replicated in the provincial capitals, FATA and Gilgit Baltistan.

In its meeting of 2<sup>nd</sup> October, the Committee reviewed the criteria for awarding scholarships to the students for 4-year undergraduate degree scholarship in ICT related disciplines under Prime Minister's National ICT Scholarship Program 2013 in the leading ICT universities of Pakistan. The Committee was briefed on the two phased program of selecting and awarding the scholarships through an ICT-Scholarship Award Test and enrollment of successful candidates in the 26 participating universities of Prime Minister's National ICT Scholarship Program 2013.

The Committee advised to give due representation to the candidates from less developed areas while granting scholarships under Prime Minister's National ICT Scholarship Program 2013. The Committee recommended that training/coaching centers should be established in far flung and less developed areas of the country to ensure maximum enrollment in the Foundation Courses that prepares the students for Scholarship Award Tests. The Committee also conveyed direction for timely release the payments to scholarship holders so that they do not suffer.

#### **4. *Grey Traffic and International Clearing House (ICH)***

The Committee expressed grave concerns over prevalence of grey traffic through illegals gateways and exchanges causing huge financial losses to the national exchequer. The Committee was informed that several steps have been taken by PTA in order to curb Grey Traffic which includes the regulatory measures such as rationalization of Approved Settlement Rates (ASR) and also the technical measures through monitoring of International Traffic to identify illegal channels employed by the Grey Operators. In a meeting of 2<sup>nd</sup> October 2013, the Committee was informed that PTA with the help of Monitoring and Reconciliation of International Telephone Traffic (MRITT) System is vigilantly monitoring all Internet Traffic routed to Pakistan and FIA conducts joint raids

with PTA for subsequent investigation. In addition to the MRITT system, the International Clearing House (ICH) Grey Monitoring System by the LDI Consortium has also been deployed to curb the grey traffic.

The ICH Policy Directive aimed at restructuring the way international telecom traffic terminated into Pakistan was issued on August 13, 2012. Under the International Clearing Housing (ICH) policy, all incoming international cellular traffic was routed through a single gateway operated by PTCL as the head of LDI ICH consortium. However, the policy did not achieve its objectives as it led to exponential increase in call rates for overseas Pakistanis and high volumes of Grey Traffic due to which net incoming calls were also reduced substantially and were converted either to over-the-top services or to grey and illegal channels, which bypass legitimate, licensed gateway. So Ministry of Information Technology on the recommendation of PTA, issued a policy directive on 17<sup>th</sup> June, 2014 to discontinue the ICH regime. However, LDI operators have taken stay orders against the decision and currently the matter is subjudice. In a Committee meeting of 10<sup>th</sup> November 2014, the Committee was informed that Competition Commission of Pakistan has also declared the ICH agreement to be noncompetitive and violating the Competition Act, 2010.

##### **5. Bills referred by the House to the Committee**

The House in its sitting of 14<sup>th</sup> April 2014 and 12<sup>th</sup> May 2015 referred to different bills to the Committee; moved by Senator Mushahid Hussain Sayed and Senator Karim Ahmad Khawaja, titled, ***the National Cyber Security Council Bill, 2014*** and ***the Protection of Cyber Crimes Bill, 2014*** respectively. The Committee in its meeting of 14<sup>th</sup> January 2015 deliberated on the aforementioned bills. However, it was shared by MoIT that the draft bill moved by Senator Mushahid Hussain Syed had been examined in light of the Constitution of Islamic Republic of Pakistan, relevant laws and the international best practices on the subject. Some of its clauses were contradicting the law. Ministry had given its general comments on the bill and an alternative bill titled the ***Prevention of Electronic Crimes Bill, 2014*** has been approved for placement before the Parliament by the Prime Minister on 3<sup>rd</sup> January 2015 under rule-27 of the Rules of Business, 1973. It was shared that a Special Committee constituted to review draft bill held several meetings for 1½ years and copies of the draft bill were forwarded to the regulatory and law enforcement agencies for comments and consultative meetings were held with key stakeholders including Ministry of Interior, Ministry of Law, Justice and Human Rights, PTA, FIA and security agencies. It was shared that the draft bill

was advertised in leading newspapers nationwide and uploaded on the official website of MoIT to seek comments of general public and get valuable insights of various segments of the society.

The Committee was apprised that the government bill titled “**the Prevention of Electronic Crimes Bill, 2014**” has been drafted as per Budapest Convention on Cybercrime and the Commonwealth Model of cyber laws due to the fact that this model best suits the legal environment of Pakistan, whereas a complete round of consultation would be required to build consensus of all stakeholder on the bills moved by Hon’ble Senators and the time-consuming and tedious process involved in rebuilding consensus on a new bill would yield nothing but delays.

The Committee was informed that the proposed bill has also been made a part of the National Action Plan devised after the terrible incident of 16<sup>th</sup> December, 2014 at Army Public School (APS), Peshawar where more than 140 students were brutally killed by terrorists. It was shared that keeping in view the security situation currently prevailing in the country, it is critically important to get the draft PEC Bill considered by the Parliament at the earliest possible time. She added that the bill is right at the point of consideration and keeping in view the urgency of matter, approval of the Prime Minister was obtained to lay the bill directly before the Parliament by waiving off the requirement of prior approval of the Cabinet as prescribed in Rule 27 of the Rules of Business.

## ***Major recommendations by the Committee***

- The National ICT R&D Fund must ensure due representation of the candidates from less developed areas while granting the scholarships under the provision of Prime Minister's National ICT Scholarship Program 2013.
- Training Centers should be established in the far flung and less developed areas of the country to ensure maximum enrollment in the Foundation Courses that prepares the students for Scholarship Award Tests.
- Video sharing website, You-Tube may forthwith be reopened after fulfilling all legal/ official formalities to ensure the fundamental rights of access to information.
- Balochistan, FATA and other parts of the Khyber Pakhtunkhwa should be given due consideration while establishing Educational Broadband Centers (EBCs) and Community Broadband Centers (CBCs).
- PTA should expedite the process for provision of 3G/4G services in Gilgit-Baltistan and Azad Jammu & Kashmir.
- Women, minorities and the people of neglected parts of the country should be given due consideration while filling the vacant positions in the USF, National ICT R&D Fund and other autonomous organizations of the Ministry.
- MoIT may incorporate the valuable insights of Senator Mushahid Hussain Sayed and Senator Karim Ahmad Khawaja in the Government Bill titled, *"the Prevention of Electronic Crimes Bill, 2014"*.
- PTA should introduce mobile Biometric Verification System to facilitate consumers in getting their SIMs verified and unverified SIMs may forthwith be blocked as soon as the verification process is completed.
- PTA should take serious steps to control cross border spillover of cellular services so that communication means of criminal and terrorist groups hiding out in bordering areas may be terminated.

## **Profiles of the Committee Members**

**Muhammad Idrees Khan Safi**  
*Chairman Committee*



Tenure March 2009 to March 2015  
Province FATA  
Party Independent (IND)  
Seat Description General  
Designation Senator

***Personal Information***

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***Committees***

- Information Technology and Telecommunications (**Chairperson Committee**)
- Railways
- States and Frontier Regions
- Industries and Production

## **Abdul Haseeb Khan**



Tenure March 2009 to March 2015  
Province Sindh  
Party Mutahidda Qaumi Movement (MQM)  
Seat Description General  
Designation Senator

### **Personal Information**

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### **Committee (s)**

- National Health Services, Regulations and Coordination
- Information Technology and Telecommunications
- Commerce and Textile Industry
- Industries and Production
- Employees Welfare Fund

### **Additional Information**

Pakistan Pharmaceutical Education foundation, President.  
Brookes Health & Education Foundation, President.  
Pakistan Pharmaceutical Manufacturers Association, Chairman: (1995-1996)  
Korangi Association of Trade & Industry, Chairman: (2004-2005)  
Kite Development & Management Co. , C.E.O. (2005-to date)  
Karachi University, Syndicate Member: (2008-2011)  
Baqai Medical University Governing Body, Member: (to date)  
Karachi Institute of Heart Diseases Governing Body, Member: (to date)  
Karachi Medical & Dental College Governing Body, Member: (to date)  
Hamdard University Academic Council, Member: (to date)

**Mrs. Shirala Malik**



Tenure March 2009 to March 2015  
Province Sindh  
Party Mutahidda Qaumi Movement (MQM)  
Seat Description Women  
Designation Senator

**Personal Information**

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**Committee (s)**

- Information Technology and Telecommunications
- Information, Broadcasting and National Heritage
- Housing and Works
- Planning Development and Reform

## **Mrs. Farhat Abbas**



Tenure March 2009 to March 2015  
Province Khyber Pakhtunkhwa  
Party Pakistan People's Party Parliamentarian (PPP-P)  
Seat Description Women  
Designation Senator

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### **Committees**

- National Health Services, Regulations and Coordination
- Information Technology and Telecommunications
- Housing and Works
- Functional Committee on Human Rights

## **Muhammad Zahid Khan**



Tenure March 2009 to March 2015  
Province Khyber Pakhtunkhwa  
Party Awami National Party (ANP)  
Seat Description General  
Designation Senator

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### **Committee (s)**

- Water and Power (**Chairperson Committee**)
- Communications
- Information Technology and Telecommunications
- Religious Affairs & Inter-Faith Harmony

## **Osman Saifullah Khan**



Tenure March 2012 to March 2018  
Province Federal Area  
Party Pakistan People's Party Parliamentarian (PPP-P)  
Seat Description General  
Designation Senator  
Oath Taking Date 12-03-2012

### **Personal Information**

Father's Name Anwer Saifullah Khan

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### **Committees**

- Information Technology and Telecommunications
- Petroleum and Natural Resources
- Finance, Revenue, Economic Affairs, Statistics and Privatization
- Planning Development and Reform

### **Academic Career**

#### **Qualification**

- Master's degree in Engineering, Economics and Management from Christ Church, University of Oxford (1995)
- Master's in Business Administration (MBA) from the Graduate School of Business, Stanford University (2009).

## ***Hafiz Hamdullah***



Tenure March 2012 to March 2018  
Province Balochistan  
Party Jamiatul-Ulema-e-Islam (F) (JUI-F)  
Seat Description General  
Designation Senator  
Oath Taking Date 12-03-2012

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Qilla Abdullah.

### ***Committees***

- Religious Affairs and Interfaith Harmony (**Chairperson Committee**)
- Functional Committee on Government Assurances
- Information Technology and Telecommunications
- Ports and Shipping

## ***Saeedul Hassan Mandokhail***



Tenure March 2012 to March 2018  
Province Balochistan  
Party Pakistan Muslim League (PML)  
Seat Description General  
Designation Senator  
Oath Taking Date 12-03-2012

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### ***Committees***

- Information Technology and Telecommunications
- Ports and Shipping
- Housing and Works
- Commerce and Textile Industry

## ***Muhammad Mohsin Khan Leghari***



Tenure March 2012 to March 2018  
Province Punjab  
Party Independent (IND)  
Seat Description General  
Designation Senator  
Oath Taking Date 12-03-2012

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### ***Committees***

- Defense
- Communications
- Information Technology and Telecommunications
- Water and Power

## ***Hari Ram***



Tenure March 2012 to March 2018  
Province Sindh  
Party Pakistan People's Party Parliamentarian (PPP-P)  
Seat Description Non Muslim  
Designation Senator  
Oath Taking Date 12-03-2012

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### ***Committees***

- Information Technology and Telecommunications
- Water and Power
- National Food Security and Research
- Industries and Production

## **A. Rehman Malik**



Tenure March 2009 to March 2015  
Province Sindh  
Party Pakistan People's Party Parliamentarian (PPP-P)  
Seat Description Technocrats Including Ulema  
Designation Senator  
Oath Taking Date 27-07-2012

### **Personal Information**

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### **Committees**

- Planning Development and Reform (**Chairperson Committee**)
- Information Technology and Telecommunications
- Interior and Narcotics Control
- States and Frontier Regions

## ***Dr. Abdul Qayoom Soomro***



Tenure March 2009 to March 2015  
Province Sindh  
Party Pakistan People's Party Parliamentarian (PPP-P)  
Seat Description General  
Designation Senator  
Oath Taking Date 12-05-2014  
In Vice of Syed Faisal Raza Abidi

### ***Personal Information***

#### ***Contact Details***

Permanent Address

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### ***Committees***

- Defense
- Information Technology and Telecommunications
- Information, Broadcasting and National Heritage
- Overseas Pakistanis and Human Resource Development

**Muhammad Hassan Khan**  
*Secretary Committee*



Designation            Additional Secretary  
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## ***Pictorial view of the Committee meetings***



**SENATOR MUHAMMAD IDREES KHAN SAFI, CHAIRMAN SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS, PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON JANUARY 14, 2015.**



**SENATOR MUHAMMAD IDREES KHAN SAFI, CHAIRMAN SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS, PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON NOVEMBER 10, 2014.**



**SENATOR MUHAMMAD IDREES KHAN SAFI CHAIRMAN SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS, PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON APRIL 10, 2014.**



**SENATOR MUHAMMAD IDREES KHAN SAFI CHAIRMAN SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATION, PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON OCTOBER 02, 2013.**



**SENATOR MUHAMMAD IDREES KHAN SAFI CHAIRMAN SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS, PRESIDING OVER A MEETING OF THE COMMITTEE AT SPECIAL COMMUNICATION ORGANIZATION (SCO), QASIM ROAD, RAWALPINDI CANT ON MARCH 13, 2013.**

## **SENATE SECRETARIAT**

### **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATION HELD ON 6<sup>TH</sup> JULY, 2012 AT PARLIAMENT HOUSE, ISLAMABAD.**

A meeting of the Senate Standing Committee on Information Technology & Telecommunication was held on 6<sup>th</sup> July, 2012 at 1400 hrs in the Committee Room No.1, Parliament House, Islamabad. The following members attended the meeting:

1)	Senator Muhammad Idress Khan Safi	Chairman
2)	Senator Saifullah Khan Bangash	Member
3)	Senator Farhat Abbas	Member
4)	Senator Saeed-ul-Hasan Mandokhel	Member
5)	Senator Zahid Khan	Member
6)	Senator Malik Muhammad Rafique Rajwana	Member

2. The agenda before the Committee was as under:-

- i) Briefing on the working and performance of Ministry of IT & Telecom and its attached/subordinate offices.
- ii) To take Sou Moto action under Rules 166(4) of the Rules of Procedure and Conduct of Business in the Senate 2012 and to examine the recent administrative matters i.e. appointments, posting/transfer (Current/Acting charge) of officers in the Ministry and its attached/subordinate offices.
- iii) Any other item with the permission of the Chair.

3. The meeting started with recitation from the Holy Quran.

4. The Chairman Committee Senator Muhammad Idrees Khan Safi welcomed the participants, thereafter the Secretary MoIT was requested to make the presentation on working and performance of Ministry of Information Technology and Telecommunication and its attached/subordinate offices. It was observed

that each slide contain lot of text and was prepared by using very small fonts, thus was almost unreadable. In this context, the Committee observed that the presentation should be made in such manner which should not only contain complete information but also make it easily readable.

5. During the briefing, Members raised the issue of observance of Provincial/territorial Quota while offering employment and desired to know present state of affairs with regard to employees working in the Ministry and its attached/subordinate offices. The Committee also desired that in next meeting of the Committee, Ministry may apprise the Committee with complete data on this issue. The Committee while being briefed on various initiatives of the Ministry also desired that the Ministry may arrange and facilitate visit of the Committee on any of its completed project for its better understanding on ground.

6. While discussing the working of USF and its various initiatives the issue of receivables from India also came under discussion. In this context, the issue of Mian Mahmood Ahmad, Chairman Pakistan Guarantee Corporation, Lahore regarding his attempt of misrepresenting with government functionaries as well as using misleading nomenclature himself as a high close linkage with Government also came up under discussion. The Committee directed the Secretary MoIT to file an FIR against the individual in addition to initiate a request to the Ministry of Interior for placing his name on Exit Control List (ECL).

7. Chairman Committee Senator Mohammad Zahid Khan expressed deep concern over the transparency of process by which USF projects are planned & budgeted. The Committee was of the view that planning & budgeting of USF projects is not transparent. The estimates are prepared in house and no due diligence and independent validation is carried out by independent experts. Moreover, this is no appraisal done by the Board Committees. The project appraisal Committee of the Board which was created in 2007 is dysfunctional. This is why projects are planned and executed at inflated costs with massive over invoicing. The Committee enquired from the Secretary MoIT as to what measures can be adopted to ensure transparency of the costing & appraisal

process which is completely left at the mercy of USF officials. The Secretary MoIT informed the Committee that in 5<sup>th</sup> Board meeting of USF, it was resolved to constitute a Board Project Appraisal Committee. However, this Committee, to his knowledge, is dysfunctional. This Committee, if functional, can appraise the projects independently after due diligence by independent consultants.

8. The Committee directed to withhold all payments until a complete forensic Audit is done of the ongoing projects and their costs and other parameters are duly verified. The Committee further banned USF Company for awarding new contracts till their costs estimates & other parameters are duly verified by independent consultants and by the Project Appraisal Committee of the Board. The Committee directed the Secretary MoIT to consolidate all necessary measures for this objective including disciplinary actions against those responsible.

9. Senator Malik Muhammad Rafiq Rajwana was of the view that the composition of the Board is itself objectionable being rampant with conflict of interest. The decision makers are themselves vendors and contractors and recipients of subsidy. Therefore, there is every potential and incidence of collusive behavior through price rigging, inflated BoQ's and vendor driven budgets. Senator Zahid Khan stated that defaulters on account of levies, taxes & dues, access premium contributions are awarded contracts. This state of affairs is alarming and cannot continue indefinitely and Standing Committee is committed to prevent abuse of reverse subsidy. Furthermore, there are a number of incidents of poor monitoring, delayed completion of projects as well as non-compliance of contract conditions.

10. The Committee recorded its concern over reported terminations of a number of USF employees who refused to comply with demands of CEO and directed Ministry of IT to conduct an enquiry into the matter and submit report within seven days.

11. Keeping in view, the diversity of the prepared presentation the Committee observed that for its better understanding a more focused presentation be prepared covering only the working and initiatives undertaken by NTC and R & D funds on July 09, 2012.

12. The meeting ended with vote of thanks to the Chairman.

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## **SENATE SECRETARIAT**

### **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATION HELD ON 9<sup>TH</sup> JULY, 2012 AT NTC HEADQUARTERS, ISLAMABAD.**

A meeting of the Senate Standing Committee on Information Technology & Telecommunication was held on 9<sup>th</sup> July, 2012 at 1100 hrs in the Conference Room of NTC Headquarters, Islamabad. The following members attended the meeting:

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|----|--|----------|
| 1) | Senator Muhammad Idress Khan Safi      | Chairman |
| 2) | Senator Muhammad Zahid Khan            | Member   |
| 3) | Senator Mohsin Khan Leghari            | Member   |
| 4) | Senator Malik Muhammad Rafique Rajwana | Member   |

2. The agenda before the Committee was as under:-

- i) Detailed briefing on working of NTC/PTCL.
- ii) Detailed briefing on working of R&D Funds.
- iii) Any other item with the permission of the Chair.

3. The meeting started with recitation from the Holy Quran followed by a formal introduction.

4. After the briefing given by Chairman NTC, the Committee in respect of the working of the NTC made following observations:-

- i) As per the mandate given to NTC, provision of telecommunication services to the Armed Forces, Defence Projects, federal, provincial governments or such other government agencies or institutions as

the federal government may determine; falls within the domain of NTC. Whereas, in certain areas such as FATA, NTC has neither any infrastructure nor performing in accordance with its mandate. Thus it is required that NTC may establish its infrastructure through out the country at district level including FATA to ensure provision/extension of its services through out the country.

- ii) In areas, where, due to non availability of NTC infrastructure it is imperative to obtain telecommunication services from a source other than NTC. It must be ensured that the service provider obtains no objection certificate from NTC for providing these services.
- iii) In order to look into the issue of reportedly outstanding receivable amount of Rs.800 million from Wateen Telecom, Secretary IT may constitute a committee, which may submit its reports within 10 days and the same may also be shared with the Committee for its information and further action/directions.
- iv) Standing Committee also made observations with regard to administrative/HR issues concerning NTC and desired that:-
  - a. Details of all employees presently working in NTC including new appointments made during 2008 till to date be provided to the Committee alongwith details of deputationists and contract employees vis-à-vis sanctioned strength of the organizations with clearly pointing out of all vacant slots/all such positions where an employee is holding charge of more than one position/office.
  - b. Committee also observed that NTC needs to evaluate the justification of seeking services of the employees serving in

NTC on deputation basis from other departments. All such employees who substitutes with requisite qualifications are available in NTC be sent back to their parent organization, immediately. However, if expertise required for the services performed by deputationists are not available within the organization, then in such case(s) the information be placed before the committee in its next meeting for its information/perusal.

- c. The Committee further observed that in case of employees who are serving on contract basis since long and during the period of their service on contractual basis they surpasses age limit for recruitment in other government/public sector organizations should not be fired rather a plan for their absorption within the organization on permanent basis be made and implemented.
- d. The Committee also sought clarification about changing of position of GM (Finance) as GM (Revenue). It was informed that due to build up of arrears and to ensure maximum revenue realization, the post of GM Revenue was essential with change in nomenclature. The committee expressed the hope that this will assure desired result.

5. The Committee also sought the briefing on working of the National ICT R&D Fund Company and its projects. The Committee, in this context, made the following observations:-

- i) Prima-facie some of the members of R & D Fund Board, appear to have a conflict of interest and therefore, in the formation of board, only such persons be taken as members who are not likely to

possess any direct or indirect conflict of interest in any manner, what so ever.

- ii) Committee also observed that in formation of Board apart from considering sectoral expertise territorial/provincial spread should also be ensured.
- iii) Committee expressed its concerns on the funding mechanism and desired to know that while funding what guarantee mechanism is observed before extending the amount to the applicant.
- iv) The Committee also desired to have complete information regarding the entire projects so far undertaken by the company with following details:-
  - a. Accreditation/criterion required to ascertaining that the institution is actually well established or otherwise.
  - b. In how many cases/instances evaluator of one proposal/applicant was appraised by the applicant when the appraisal of first proposal was an applicant in another proposal.
  - c. Total solicited and unsolicited proposals undertaken so far alongwith their values and ratio with respect to each other, and a brief description/comparison of the mechanism followed in both the cases.
- v) The Committee further desired that the briefing regarding working of R & D Funds Company be given again, with complete information. The Committee also directed that all the requisite information be made available well before holding of the next meeting for information/perusal of its members. The Committee

thereafter concluded with the observation that without having complete information further continuation of the briefing, shall be a meaningless exercise.

- vi) The Committee expressed its concern over the award of projects in Islamabad to the extent of 50 percent while rest of the countries' institutions were given 50 percent of funding. This is alarming and therefore, the Ministry should enquire into matter and submit report within two weeks. Furthermore, an audit of existing projects in pipeline as well as completed projects be carried out through professional auditing firm and report be submitted to the Committee within 4 weeks.

6. The meeting ended with vote of thanks Chairman.

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## SENATE SECRETARIAT

Subject: - MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS HELD ON 15<sup>TH</sup> AUGUST, 2012 AT ISLAMABAD

A meeting of the Senate Standing Committee on Information Technology & Telecommunications was held on 15<sup>th</sup> August, 2012 at 2:00 p.m. in the Committee Room No. 4, Parliament House, Islamabad under the Chairmanship of Senator Muhammad Idrees Khan Safi.

2. The agenda before the Committee was as under:-
  - i. Briefing by PTA on Grey Trafficking with especial emphasis on estimates of monthly losses and submission of report regarding registrations of cases against the companies involved and the raids conducted by PTA & FIA during the last 6 months.
  - ii. Provisions of details by USF on the lots auctioned in Balochistan and KPK for provision of rural telephony and E-services during the last 3 years and the bids called for auction of lots in the year 2012.
  - iii. Any other item with the permission of chair.
3. The following members of the Committee attended the meeting:-

1.	Senator Mrs. Farhat Abbas	Member
2.	Senator Muhammad Zahid Khan	Member
3.	Senator Muhammad Mohsin Khan Leghari	Member
4.	Senator Malik Muhammad Rafique Rajwana	Member
5.	Senator Hafiz Hamdullah	Member
4. A list of officers of Ministry of Information Technology & Telecommunications, Pakistan Telecommunications Authority (PTA) and Universal Service Fund Company (USF) who attended the meeting is annexed.
5. The meeting started with recitation from the Holy Quran. Thereafter, honourable Chairman welcomed all the participants to the meeting.

6. Chairman, Pakistan Telecommunication Authority (PTA) very shortly briefed the Committee about Grey Trafficking and also about the lacunas in PTA Act. Chairman Committee and Senator Muhammad Zahid Khan both asked Chairman, PTA about the losses as born by the state because of Grey Trafficking. In response, it was told that approximately 400 to 500 million US Dollars losses annually are born by the state because of malpractices involved in Grey Trafficking. It was also mentioned that through an investment of about 20 million US Dollars in procurement of relevant equipments, huge losses to state can be avoided.

7. Senator Muhammad Zahid Khan inquired about the observance of provincial/regional quota while making employment in PTA and its allied organizations.

8. The meeting ended with a vote of thanks to and from the Chair with the instructions that a detailed briefing be given during next meeting regarding Grey Trafficking, provision of details by USF on the lots auctioned in Balochistan and KPK for provision of rural telephony and E-services during the last 3 years and the bids called for auction of lots in the year 2012 and the employment quota point as raised by the honourable Senator.

## SENATE SECRETARIAT

### MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

A meeting of the Senate Standing Committee on Information Technology & Telecommunications was held on 6<sup>th</sup> September, 2012 at 11:00 a.m. in the Committee Room No. 1, Parliament House, Islamabad under the Chairmanship of Senator Muhammad Idrees Khan Safi.

2. Agenda before the Committee was as under:-

i. Briefing on:-

a. PTA on Grey Trafficking with especial emphasis on estimates of monthly losses and submission of report regarding registration of cases against the companies involved and the raids conducted by PTA & FIA during the last 6 months.

b. PTA regarding observance of Provincial/Regional quota observed so far while making appointments in PTA.

ii. Provisions of details by USF on the lots auctioned in Balochistan and KPK for provision of rural telephony and E-services during the last 3 years and the bids called for auction of lots in the year 2012.

iii. Any other item with the permission of chair.

3. Following members of the Committee attended the meeting:-

Senator Hari Ram	Member
Senator Osman Saifullah Khan	Member
Senator Mrs. Farhat Abbas	Member
Senator Muhammad Zahid Khan	Member
Senator Mrs. Shirala Malik	Member
Senator Malik Muhammad Rafique Rajwana	Member

4. A list of officers of Ministry of Information Technology & Telecommunications, Pakistan Telecommunication Authority (PTA) and Universal Service Fund Company (USF) who attended the meeting is also annexed.

5. The meeting started with recitation from the Holy Quran. Thereafter, honourable Chairman welcomed participants of the meeting.

6. Before starting formal discussion upon the agenda items, Senator Muhammad Zahid Khan took serious view of improper reply as submitted by the Ministry of Information Technology and Telecommunications and the attached Department during Senate 85<sup>th</sup> Session “Questions for oral Answers and their Replies” on 5<sup>th</sup> September, 2012 and stressed upon the immediate submission of proper and facts based reply not only for that particular question but in all such cases in future also. He also emphasized upon taking up the matter through the Committee and also to initiate the action against all those held responsible for the lapse. Senator Hari Ram wanted to discuss the issue of Non-Muslims quota in Telecommunications sector but by the intervention of Hon’ble Chairman, formal discussion upon the agenda items started as discussion upon the quota item was already included in agenda for subsequent discussion.

7. Chairman, PTA briefed the Committee in detail about menace of grey trafficking in telecom sector. He explained as to how the grey traffic is adversely affecting our revenue generation and ultimately damaging the national economy. He highlighted various steps as taken by PTA towards curbing Grey Traffic which include the Regulatory Measure – Rationalization of Approved Settlement Rates (ASR) and also the technical measures through monitoring of International Traffic to identify properly the illegal channels employed by the Grey Operators.

8. Chairman, Pakistan Telecommunication Authority (PTA) talked about the monitoring capacity of the system in detail. Project in this regard was started in May, 2008 with its capacity of 9.4 Gbps, enhanced to 26.3 Gbps in October, 2008 and with its current status of 105.5 Gbps out of which only 13.9% is monitored.

9. Chairman, PTA further discussed about the procedure and the actions taken so far against the Grey Operators according to Section 31 of Pakistan Telecommunications Re-organization Act (1996) and the FIA Act 1974, Entry 23. PTA upon identification of illegal operators file complaint with FIA for investigation and subsequent raid action. FIA obtains search warrant from the Court and conducts raid. As a result of raid, all confiscated equipment and the arrested accused remain under the custody/possession of FIA, for further prosecution of the case before the Court of Law.

10. Since 2009 total 66 joint raids have been carried out in which 57 persons including 6 foreigners were apprehended, 74 Gateways have been confiscated.

36 cases have been adjudicated, out of which 3 Court decisions have so far been made with the fine of only PKR 37,000/- and 25 days imprisonment.

11. Dubious role of FIA, some shortcomings in the PTA Act, insufficient capacity of PTA monitoring system and also the introduction of uniform Regional rates policy covering Pakistan, India and Bangladesh came under discussion by Hon'ble Senators Muhammad Zahid Khan, Malik Muhammad Rafique Rajwana, Osman Saifullah Khan and the PTA authorities. It was decided that:-

- i. Before the Grey traffic is declared a cureless disease, all possible remedial measures including capacity enhancement of PTA monitoring system and suggestions for suitable legislation to bring improvement in PTA Anti Grey Traffic Policy be made by the Ministry of IT & Telecommunications.
- ii. FIA should invariably be invited to all future meetings of the Committee while discussing the Grey Traffic matter.
- iii. As a last resort complete deregulation alongwith taking care of International Regulatory Regime can also be considered.

**Agenda Item (i)(b)**

12. Chairman PTA briefed the Committee regarding observance of Regional and Provincial quota. The figures as provided could not properly address the observations as raised by Hon'ble Senators specially regarding NAFATA, Balochistan and Sindh as there are still deficiencies against the allotted quota. The list as provided was also lacking the relevant details. Senator Muhammad Zahid Khan observed that why recruitments are continuously made against the quotas where the employees are in excess. It was, therefore, decided that detailed lists showing relevant details like employees name, date of birth, domicile, scale/grade and date of recruitment be provided to the Committee on urgent basis so that necessary arrangement for relieving of surplus staff and recruitment of deficient staff against the relevant quotas are decided.

13. PTA management could not provide relevant details regarding observance of minority quota. It was also decided that such details may be provided to the Committee on urgent basis.

## **Agenda Item (ii)**

14. Provision of details by USF on the lots auctioned in Balochistan and KPK for provision of Rural Telephony and E-services during the last 3 years and the bids called for auction of lots in the year 2012.

15. Detailed presentation on the subject matter was given by General Manager, Projects and Technology. He clarified that although USF had advertised 5 Projects in Balochistan province but only two Projects could be signed in these 3 years because none of the service providers/telecom operators participated in the bidding process of the remaining 3 lots. Mastung lot was advertised twice but no one showed their interest for bidding. Main reasons could be non-availability of Backhand network infrastructure.

16. Committee was further apprised that USF Board of Directors approved a separate programme by which optic Fiber cable is to be laid in areas which are previously non served of this facility. Major areas were identified in Sindh, Balochistan and KPK provinces. It was decided that Rural Telephony Projects will be launched in synchronization with the OFC Programme. In last 3 years 6 OFC Projects were launched and contracts were signed for 5 of these Projects all in Balochistan province laying 5700 Kms. of OFC connecting 100 towns/tehsils. One of these Projects is in KPK for which after successful bidding the performance guarantee is awaited from the successful bidder. Many of these Projects are near completion. Mastung lot was advertised for 3<sup>rd</sup> time, bid was received and the contract was signed with M/s PTCL on 31<sup>st</sup> May, 2012.

17. As PTCL is a defaulter of about 800 million US dollars, therefore, Committee had conveyed its concern about awarding the contract to a defaulter hence no payment be made to PTCL until & unless the recoverable amount is recovered from PTCL. CEO, USF clarified that no payment has been made to PTCL despite the fact that contract has been signed on 31<sup>st</sup> May, 2012. However, he informed that information regarding current payment status and defaults by the telecom an operator including M/s PTCL rests with Ministry of Information Technology and Telecommunications/PTA.

18. Chairman Committee desired to visit alongwith the Members and the CEO, USF the Projects of Rural Telephony and E-Services and OFC Projects

sites in Balochistan and KPK. He also desired that the USF should provide a check list according to the contracts that is verified by them or their technical auditors before any payment is released against completed milestones.

19. Senator Hari Ram, according to his query, would be provided all details of RTEs Project in Sindh in general and Mirpur Khas in particular.

20. Upon Senator Osman Saifullah Khan's query about the huge unserved area in between D.I.Khan and Kohat, GM, P&T clarified that the name of a lot is just for identification of the Project whereas the lot covers the Districts of D.I.Khan, Tank, Lakki Marwat, Bannu, Karak, Kohat and Hangu.

21. Senator Muhammad Zahid Khan inquired about the latest status of Malakand Project for which USF had signed a contract with Telenor Pakistan, GM, P&T explained that the contract was signed on 4<sup>th</sup> October, 2007, however, due to security situation in the area, the Project is stand-still. Due to its prolonged delay, the matter was taken to the USF Board, which decided to obtain legal opinion from Ministry of Law and Parliamentary Affairs for termination of the contract. Hon'ble Senator further inquired that if it has been decided to terminate the contract, performance guarantee of Telenor be confiscated. CEO informed that process towards that direction has been started and the Committee would be updated accordingly.

22. The meeting ended with a vote of thanks to and from the Chair.

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## SENATE SECRETARIAT

Subject: **MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS HELD ON 27<sup>TH</sup> NOVEMBER, 2012 AT ISLAMABAD.**

Pursuant to a requisition made by members of the Committee, under Rule 184(4) of the Rules of Procedure and Conduct of Business in the Senate, 2012, a meeting of the Senate Standing Committee on Information Technology & Telecommunication was held on 27<sup>th</sup> November, 2012 at, 2.00 p.m. in Committee Room No.4, Parliament House, Islamabad under the Chairmanship of Senator Muhammad Idrees Khan Safi.

2. The agenda before the Committee was as under:-
- i. Appointment of the CEO USF
  - ii. Appointment of Chairman of PTA.
  - iii. Progress on the establishment of IT Centers.
  - iv. Any other item with the permission of the Chair

3. The following Members of the Committee attended the meeting:-

1.	Senator Muhammad Idrees Khan Safi	Chairman
2.	Senator Hari Ram	Member
3.	Senator Mrs. Farhat Abbas	Member
4.	Senator Hamayun Khan Mandokhel	Member
5.	Senator Muhammad Zahid Khan	Member
6.	Senator Mrs. Shirala Malik	Member
7.	Senator Muhammad Mohsin Khan Leghari	Member
8.	Senator Malik Muhammad Rafique Rajwana	Member
9.	Senator Hafiz Hamdullah	Member

4. A list of Officers of Ministry of Information Technology & Telecommunications, Pakistan Telecommunications Authority (PTA) and Universal Service Fund Company (USF) who attended the meeting is annexed.

5. The meeting started with recitation from the Holy Quran by Senator Hafiz Hamdullah. Thereafter, honourable Chairman welcomed all the participants to the meeting.

6. Senator Hamayun Khan Mandokhel indicated the Chair about the absence of Secretary, M/O Information Technology and Telecommunication and the Chairman PTA from the meeting. Upon that Director informed that Chief Justice, Supreme Court

has summoned the Secretary at 12:00 pm and as soon as his meeting finishes he will come to attend the committee meeting. One of the representatives from Pakistan Telecom Authority (PTA) informed that Chairman PTA Mr. Farooq Ahmed Awan is not feeling well and he is therefore, unable to attend the meeting. Senator Zahid Khan remarked that a medical certificate of his illness may be produced before the next committee meeting. Secretary IT may also be warned if he fails to produce sufficient proof regarding his attendance in Supreme Court.

7. Senator Hamayun Khan Mandokhel requested the Chairman for taking up item No.(ii) of the agenda first as he has to attend another meeting. Chairman agreed and discussion started on Item No.(ii) relating to Appointment of Chairman PTA.

**ITEM NO.(ii) : APPOINTMENT OF CHAIRMAN OF PTA.**

8. Senator Hamayun Khan Mandokhel informed the committee that Mr. Farooq Ahmed Awan the present Chairman PTA is an inefficient person. He further disclosed that as member of the Sub-Committee of the Senate Standing Committee on Labour and Manpower he was tasked to probe into the huge loss of Rs.3.5 billion through EOBI. Due to unprofessional advices made by Mr. Farooq Ahmed Awan as investment Advisor of EOBI, the share rates of the Bank of Punjab dropped from Rs.120 to Rs.34. As a result a well established Bank was brought down to its poor condition with a huge loss of Rs.3.5 billion to government exchequer. During that probing process Mr. Farooq Awan tried to influence him through his close friends just to conceal the issue and to take no action against him. Senator assured the committee to produce all relevant material/proceedings of the Sub-committee before the committee. He also informed about the involvement of Mr. Awan in Haris Steel scandal.

9. Senator Malik Muhammad Rafique Rajwana asked about the mode of appointment and procedure for the post of Chairman PTA. In his reply, Additional Secretary Cabinet, Mr.Shahidullah Baig informed that under Section (2) the Authority shall consist of three members one of whom shall be a professional telecommunication engineer and other shall be a financial expert, to be appointed by the Federal Government for a term of four years and shall be eligible for appointment for a similar term or terms. Under section (3) the Federal Government shall, from amongst the

members appointed under sub-section (2), appoint a member to be the Chairman of the Authority

10. Section 3(2) was amended through Pakistan Telecommunication (Re-Organization) (Amendment) Act, 2006 which provides that the Federal Government may increase the number of members of the authority and prescribe their qualifications and mode of appointment.

11. Senator Rajwana also questioned the Additional Secretary as to whether the appointment of the current Chairman is according to the Rules and Procedure enunciated in the PTA act 1996.

12. The Additional Secretary informed that the post of Chairman PTA became vacant on 23<sup>rd</sup> July, 2012 after the expiry of 4 years tenure of Dr. Muhammad Yaseen who was elevated from the post of Member (Technical) as per spirit of the law that one of the Members of PTA from amongst the Members will be elevated to the post of Chairman PTA. Accordingly, Mr. Farooq Ahmed Awan who was transferred and posted with the kind approval of Prime Minister as Member PTA on 28<sup>th</sup> July, 2012 against a vacancy occurred due to expiry of tenure of Dr. Muhammad Yaseen under section 10 of the Civil Servant Act, 1973. Thereafter, Mr. Farooq Ahmed Awan who was appointed as Member PTA on 28<sup>th</sup> July, 2012 was elevated to the post of Chairman PTA on 31<sup>st</sup> July, 2012 with approval of the Prime Minister.

13. Senator Malik Muhammad Rafique Rajwana requested the Chairman Committee to constitute a Sub-committee to thoroughly probe into the appointment case of the Chairman PTA. Thereafter, Senator Zahid Khan supported the proposal made by the Senator Rajwana. Senator Hafiz Hamdullah also supported the proposal for constitution of a Sub-committee to probe into the matter and also desired for submission of all old record as explained by Senator Hamayun Khan Mandokhel. He also stressed the need for fair & transparent investigation in the matter.

14. Senator Rajwana questioned the present number of members of the PTA and also about any proposal for increasing its number. The Additional Secretary informed that there are two members. One is Member Finance and other Member Technical. The qualifications for both the slots are different and after advertisement in

the national press the suitable candidates are appointed after final approval by the Prime Minister. Further, he informed that Cabinet Division has proposed for increasing the number of members upto five by new additions of Member Commercial Affairs and Member Legal and Regulation.

**ITEM NO.1 APPOINTMENT OF THE CEO, UNIVERSAL SERVICE FUND COMPANY (USF)**

15. Senator Zahid Khan questioned about the number of Board Members. The USF representative informed that there are eight members of the board including its Chairman. Out of which four members belong to government sector and four to Private. The details are as under:-

Government Sector	Private Sector
Mr. Raja Pervez Ashraf Prime Minister of Pakistan Minister in-charge for IT	Mr. Walid Irshad President and CEO PTCL
Mr. Farooq Ahmed Awan Chairman PTA	Mr. Azfar Manzoor Vice President, ISP Associate of Pakistan
Mr. Amir Tariq Zaman Secretary IT Ministry of IT	Mr. Fan Yun Jun CEO Zong
Dr. Syed Ismail Shah Member Telecom Ministry of IT	Mr. Kaukab Iqbal Chairman, Consumers Association of Pakistan

16. Senator Rajwana also questioned about the termination process of Ex-CEO and appointment of current CEO of the company.

17. Company representative informed that Mr. Riaz Asher Siddiqui, Ex-CEO USF was terminated on the recommendations of Human Resource Governance Committee (HRGC) of USF Board in its meeting held on 2<sup>nd</sup> November, 2012. HRGC consists of three members, one representative of Government sector and two of private sector. The recommendations of HRGC were sent to all Board Members for their opinion/concurrence through a Resolution by circulation. Board Members concurred the decision of HRGC and all the members signed a Resolution for termination of Mr. Riaz Asher Siddiqui. In this Resolution, USF Board also resolved and approved that

meanwhile, competent officer be deputed from the Ministry of Information Technology to look after the Company affairs, until suitable person against the post of CEO is appointed as per rules and procedure.

18. Ministry of IT then requested Dr. Basit Riaz Sheikh, Advisor Ministry of IT to take the responsibility keeping in view his outstanding achievements in the filed of Information/Communication Technology. A Resolution through circulation was again sent to all Board members for appointment of Dr. Basit Riaz Sheikh as Acting CEO, USF. USF Board of Directors unanimously agreed on it and appointed Dr. Basit as Acting CEO.

19. Senator Rajwana asked about the date on which the last member of the company board signed the document and received back to company management.

20. The company representative informed that they received signatures of last member of the board on 8<sup>th</sup> November, 2012. He further clarified that the number of required consent of the members of the board was achieved on 5<sup>th</sup> November, 2012.

21. Senator Rajwana also enquired about the appointment of CEO of the company. The Company representative informed that after the termination of Ex-CEO, the board members passed a resolution that a competent officer be deputed from the Ministry of Information Technology to look after the Company affairs, until suitable person against the post of CEO is appointed as per rules and procedure. After unanimous resolution by the Board of Directors Dr. Basit Riaz Sheikh, Advisor, Ministry of IT was appointed as CEO to look after the company affairs till the appointment of regular CEO.

22. Chairman, Standing Committee on IT & Telecommunication on suggestions of the honorable Senators constituted a Sub-Committee with the following composition:

1.	Senator Malik Muhammad Rafique Rajwana	Convener
2.	Senator Muhammad Zahid Khan	Member
3.	Senator Hamayun Khan Mandokhel	Member

23. This Sub-Committee will probe into both of the matters, appointment of Chairman, PTA and appointment of CEO, USF.

**ITEM NO.iii PROGRESS ON THE ESTABLISHMENT OF IT CENTERS.**

26. The company representative informed the committee members that company was setup in 2006 under Ministry of IT. It is a Public Private Partnership enterprise governed by an independent Board of Directors. The company has paid special emphasis on relevant technical education and for every higher secondary school has so far established 1900 Educational Broadband Centers (EBC) in different telecomm regions throughout the country. In Faisalabad region 229, Multan region 327, Sindh region 77, Hazara Region 145, Gujranwala region 124 and in central region 141 EBCs have been established.

27. In reply to the Chairman query regarding the status of EBCs in FATA region, the company representative informed that they cannot establish any center in FATA due to army restrictions and security sensitivities.

28. Senator Hafiz Hamdullah informed that no center has been suggested by the company to be established in Killa Saifullah and other Pashtoon areas of Balouchistan province. Most of the centers have been planned in Balouch populated districts where the law and order situation is not very favourable.

29. The Chairman of the committee suggested that item No.(iii) may also be discussed in the Sub-committee.

30. The meeting ended with a vote of thanks to and from the Chair with the instructions that a detailed briefing be given during next meeting.

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**SENATE SECRETARIAT**

**MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY & TELECOMMUNICATIONS**

A meeting of the Senate Standing Committee on Information Technology & Telecommunications was held on 12<sup>th</sup> December, 2012 at 11:00 a.m. in Committee Room No.4, Parliament House, Islamabad.

2. The agenda before the Committee was as under:-

- i. Submission of progress report regarding observance of Minorities, Provincial/Regional Quota, and details of appointment of employees showing their names, date of birth, domicile, scale/grade and date of joining in PTA, as directed in last meeting
- ii. Briefing by PTA on the establishment of international Clearing House (ICH), the award of contract of international Clearing House (ICH) and consideration of the reservation of some segment of society on its establishment and its impact on the call rates.
- iii. Submission of report by the USF on the query of the committee regarding any payment made to PTCL (despite it being a defaulter) and its latest position and also the details regarding termination of contract with the Telenor Pakistan for Malakand Project in the light of the views of Law & Justice Division.
- iv. Briefing on the working and performance of Special Communications Organization (SCO).
- v. Any other item with the permission of the Chair.

3. The following Members of the Committee attended the meeting:-

Senator Muhammad Idrees Khan Safi	Chairman
Senator Haji Saifullah Khan Bangash	Member
Senator Hari Ram	Member
Senator Faisal Raza Abidi	Member
Senator Muhammad Zahid Khan	Member
Senator Malik Muhammad Rafique Rajwana	Member

4. A list of Officers of Ministry of Information Technology & Telecommunications, Pakistan Telecommunication Authority (PTA) and Universal Service Fund Company (USF) who attended the meeting is annexed.

5. The meeting started with recitation from the Holy Quran. Thereafter, honorable Chairman welcomed all the participants to the meeting.

### **ITEM NO.1**

#### **SUBMISSION OF PROGRESS REPORT REGARDING OBSERVANCE OF MINORITIES, PROVINCIAL/REGIONAL QUOTA AND DETAILS OF APPOINTMENT OF EMPLOYEES SHOWING THEIR NAMES, DATE OF BIRTH, DOMICILE, SCALE/GRADE AND DATE OF JOINING IN PTA, AS DIRECTED IN LAST MEETING.**

6. Mr. Farooq Ahmed Awan, Chairman PTA while briefing on the status of existing position of the quota, informed the committee that there is working strength of 427 staff members in the Pakistan Telecommunication Authority. Out of which the quota of open merit, Punjab and KPK shows excess. There is a short fall in the quota of Sindh both rural and urban and FATA/NA (Details attached).

7. Senator Zahid Khan asked that how this excess and shortfall in the quota can be covered. Chairman PTA suggested two options i) to terminate the excess employees by calculating their date-wise appointments ii) sanctioned posts be enhanced so that the required quota can be met. Chairman PTA also indicated that some officials are also working on deputation basis. But Senator Zahid Khan discouraged the idea to terminate the services of employees because this can cause problem to their families.

8. Senator Malik Muhammad Rafique Rajwana suggested that if the deputationists are incompetent and not upto the mark of the required qualification and efficiency, they can be repatriated to their parent departments. By this activity, both the excess/shortfall in the quota can be covered and also their services will continue in their parent departments.

9. Senator Hari Ram questioned about the present position of the quota allocated for the minorities. Chairman PTA informed that the government has allocated 5% quota for minorities, which comes to 21 employees in respective categories. Out of the 21 posts, only 9 staff members of minority quota have been serving in the PTA mostly as Sweepers. Chairman PTA in reply to another question, informed the committee that according to the domicile details, there are 7 individuals from Punjab, one from KPK and one from Sindh. Senator Hari Ram suggested that the minority quota must be fixed on the population

basis of each province and recruitments may be made accordingly. He further suggested allocating better posts in higher grades also for the minority quota.

10. The Committee unanimously decided that all 58 quota deficiency posts as per given details be filled through prescribed recruitment rules and procedures of the PTA.

## **ITEM NO.2**

### **BRIEFING BY PTA ON THE ESTABLISHMENT OF INTERNATIONAL CLEARING HOUSE (ICH), THE AWARD OF CONTRACT OF ICH AND CONSIDERATION OF THE RESERVATION OF SOME SEGMENT OF SOCIETY ON ITS ESTABLISHMENT AND ITS IMPACT ON THE CALL RATES.**

11. Mr. Farooq Ahmed Awan, Chairman PTA informed the Committee that as per section 8 of the Pakistan Telecommunications Act, 1996 the Federal government issues policy directives to PTA on the matters relating to Telecommunications policy and PTA has to comply with such directives.

12. On 13<sup>th</sup> August, 2012, Pakistan Telecommunication Authority (PTA) received a policy from Ministry of Information Technology for establishment of International Clearing House (ICH) which is an exchange for long Distance International calls, fixed line local loops, wireless local loops and mobile operators. This house monitors all the outside calls passing through LDI operators.

13. ICH is a consortium of 12 LDIs and the PTCL. All LDIs through consensus designated PTCL to lead the consortium for ICH. This has to negotiate with foreign carriers. Ministry of Information Technology and PTA will act as observers in the ICH. ICH exchange will provide international traffic monitoring facility to enable monitoring of voice and data traffic to curb the menace of grey trafficking, bring foreign exchange in country and recover huge amount of outstanding dues with LDIs which is about 24 billion rupees. Presently, the monitoring equipment to curb the grey traffic is only 30% effective because of non-up gradation of the equipment due to lack of funds.

14. Senator Zahid Khan suggested that inspite of establishing a consortium of 14 companies, an advertisement in the national press may be floated to conclude on merit only one company for establishment of ICH. The cost for

upgradation of existing equipment may be funded by that one company instead of paying it from the PTA or any other government budget. All the arrangements stated in presently constituted ICH consortium may be given to that company. This will save time and money. PTA should regulate and monitor that company.

15. Mr. Muhammad Idrees Khan Safi, Chairman committee supported the idea of Senator Zahid Khan for establishing ICH through one Company instead of the present consortium of so called old players headed by PTCL.

16. Mr. Amir Tariq Zaman, Secretary Information Technology supported the idea of establishing an effective role of ICH through one station and with fixed charges. Presently there are 14 companies in the consortium led by PTCL but without effective monitoring system.

17. When Senator Muhammad Idrees Khan Safi, Chairman Committee inquired about the estimated loss to PTA due to grey trafficking, Mr. Farooq Ahmed Awan, Chairman PTA informed that initially it was 6 million but now it is around 26 million per day. In another query by the Chairman regarding enhancement of rates under the ICH setup, Chairman PTA informed that by increasing rates more revenue will be generated for the country. But Senator Zahid Khan clearly indicated that consumers may not be suffered from any enhancement in the call rates. It will directly hit our people living outside Pakistan therefore he will not support any raise in the call rates from outside to Pakistan. He once again advised that expenses for the up gradation of ICH equipments may be met out from the companies funds instead of government funds.

18. Mr. Amir Tariq Zaman, Secretary Information Technology assured the committee that rates will not be enhanced beyond 8 cents. But Senator Zahid Khan informed the committee that previously these rates were at 6 cent and it should continue without any increase.

19. In reply, Secretary informed that presently, the call rates from Pakistan to outside world are at the lowest level as compared to other countries. The reason from higher incoming call rates is that the foreign operators charge 45 cent however they pay us only 6 cents which is less than they charge from the overseas. The charging of 8 cent rates by the PTA cannot affect the overseas. This enhancement will be charged from the International operators. But Senator Zahid Khan believed that any enhancement in rates will directly affect

the common people living outside Pakistan. Therefore, he suggested that PTA may not enhance international incoming call rates upto 8 cents. Chairman committee also supported the suggestion given by Senator Zahid Khan.

20. Senator Zahid Khan also suggested that instead of enhancing call rates, all necessary measures be taken to control the grey trafficking.

21. Senator Haji Saifullah Khan Bangash informed the committee that he has spent about 40 years outside Pakistan. Any enhancement may overburden the overseas. He also suggested that no enhancement be made in the call rates.

22. Senator Malik Muhammad Rafique Rajwana observed that the grey traffickers take all the financial advantages and they exploit the foreign consumers. Therefore, he advised to take action against those grey traffickers instead of increasing the call rates.

23. Senator Malik Muhammad Rafique Rajwana suggested that a detailed briefing on the status of enhancement in the call rates and its impact on the consumers be given to the committee in the next meeting. Chairman committee agreed to the suggestion and PTA Chairman was asked to brief the committee on this issue in its next meeting.

### **ITEM NO.3**

#### **SUBMISSION OF REPORT BY THE USF ON THE QUERY OF THE COMMITTEE REGARDING ANY PAYMENT MADE TO PTCL (DESPITE IT BEING A DEFAULTER) AND ITS LATEST POSITION AND ALSO THE DETAILS REGARDING TERMINATION OF CONTRACT WITH THE TELENOR PAKISTAN FOR MALAKAND PROJECT IN THE LIGHT OF THE VIEWS OF LAW AND JUSTICE DIVISION.**

24. The USF official informed the Chairman Committee that CEO, USF could not attend the meeting due to his official engagements. Chairman committee took a serious notice of it and directed to serve a notice to the CEO on account of his absence from the committee meeting. He dropped the agenda item and directed to include the same in next meeting.

#### **ITEM NO.4**

#### **BRIEFING ON THE WORKING AND PERFORMANCE OF SPECIAL COMMUNICATIONS ORGANIZATION (SCO).**

25. Director General, SCO briefed the committee regarding functioning of the organization. He informed that SCO was established in July 1976. SCO established its own International Gateway Exchange (IGWE) and providing LDI services to its customers in AJK / GB since 2005. A large number of immigrants and workers from these areas are residing abroad especially in Europe and Middle East. At present, SCO LDI license is restricted to AJK / GB, due to which we are unable to exploit full business potential of LDI services resulting into revenue loss of millions of rupees. PTA has banned new LDI licensing in Pakistan till 2013. It is pertinent to mention here that SCO being incumbent and Significant Market Player (SMP) in AJK / GB had been subjected to huge financial loss in the past years on account of international incoming traffic revenue in one way or the other. Some of the issues faced by SCO in this regards include; Pakistan and AJK/GB LDIs continued bringing incoming international traffic even without commencement of LDI Point of Presence (PoPs) in AJ&K/GB, dual licensees terminating AJK / GB traffic from their switches in Pakistan and non-allocation of separate codes to other cellular operators in AJK/GB making impossible for SCO to bring complete traffic of the region.

26. FAB has allocated 5 MHz frequency in 900 band to SCO for operation of GSM cellular network in AJK / GB in 2003 at the cost of Rs 5.0 Million. Over the period of time, network growth has been exponential and we have 600,000 active customers at present. Our subscribers are facing severe problems of network congestion and service quality issues at most of the sites due to limited band capacity. Additional allocation of 5 MHz in 1800 band is required to address these issues and compete with other mobile operators using dual frequency band in the region. Accordingly, PTA was approached for allocation of additional 5 MHz GSM spectrum in January 2010. FAB has confirmed the availability but PTA has demand USD 3.675 Million, on the plea that other mobile operators were awarded license

27. Moreover, **Tribal territories were included in original mandate of SCO issued by the Prime Minister of Pakistan in 1976.** However, SCO area of operation has been restricted to AJK and GB only, under Pakistan Telecom (Re-Organization) Act 1996. Having sufficient telecom experience, well trained force and being a military organization, SCO can sustain itself in the area with very

little assistance from Army & Frontier Corps. Therefore, SCO is the appropriate Organization to be assigned the task of provisioning of telecom services in FATA to address immediate needs of the people from socio-economic development perspective. To overcome various regulatory/ licensing issues, approval of Government of Pakistan is solicited allowing SCO's operation in FATA through special policy directive issued under Sec 8 read in conjunction with Sec 54(2) of Pakistan Telecommunications (Re-Organization) Act, 1996.

28. Mr. Muhammad Idrees Khan Safi, Chairman Committee raised the question regarding ways to include the FATA territory under the purview of the SCO. In reply, Secretary Information Technology informed that due to new act in 1996 which was passed by the Parliament, FATA was excluded from the SCO purview. Now, there are two ways to re-include the area. i) to amend the existing law ii) Ministry can issue direction for re-inclusion of the FATA area. Presently, FATA area is under the control of PTCL but due to the law and order situation, PTCL do not operate in FATA and therefore, there are lot of problems.

29. Senator Zahid Khan suggested that Ministry itself should issue a notification for inclusion of FATA area under SCO. Keeping in view the peculiar nature of security/law & order situation and non-effectiveness of other communication networks in FATA, the Committee gave unanimous approval for inclusion of FATA area into the SCO working jurisdiction on the pattern of Gilgit Baltistan and AJK area. DG, SCO, however, may brief the Committee about their future working plan in FATA in next meeting of the IT Standing Committee.

30. Moreover, the other two facilities as demanded by SCO (i) 5 MHZ GSM Spectrum facility at the cost of US \$ 3.675 Million and (ii) LDI Licensing facility, Secretary IT & Telecommunications and Chairman PTA alongwith DG, SCO, may give a detailed presentation before the Committee in its next meeting.

31. The meeting ended with a vote of thanks to and from the Chair.

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## SENATE SECRETARIAT

Subject: - MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS HELD ON 26<sup>TH</sup> FEBRUARY, 2013 AT 02:00 P.M. AT PARLIAMENT LODGES (OLD PIPS HALL), ISLAMABAD.

Meeting of the Senate Standing Committee on Information Technology & Telecommunications was held on 26<sup>th</sup> February, 2013 at 02:00 p.m. at Parliament Lodges (Old PIPS Hall), Islamabad under the Chairmanship of Senator Muhammad Idrees Khan Safi.

2. The following members of the Committee attended the meeting:-

1.	Senator Haji Saifullah Khan Bangash	Member
2.	Senator Hari Ram	Member
3.	Senator Osman Saifullah Khan	Member
4.	Senator Mrs. Farhat Abbas	Member
5.	Senator Hamayun Khan Mandokhel	Member
6.	Senator Muhammad Zahid Khan	Member
7.	Senator Shirala Malik	Member

3. Agenda before the Committee was as under:-

- i. Submission and consideration of report by the Convener, Sub-Committee on the matters of appointment of the then Chairman, PTA and sacking of the then CEO, USF.
- ii. Briefing by PTA on the closure of YouTube and its related matters.
- iii. Increase in the call rates by PTA and the reservation thereon by Overseas Pakistanis and the latest position of the case.
- iv. Submission of report by the USF on the query of the Committee regarding any payment made to PTCL (despite it being a defaulter) and its latest position and also the details regarding termination of contract with the Telenor Pakistan for Malakand Project in the light of the views of Law & Justice Division.
- v. Any other item with the permission of the Chair.

4. The meeting started with recitation from the Holy Quran. Thereafter, honourable Convener welcomed all participants of the meeting.

5. The Committee showed displeasure about the absence of Chief Executive Officer, Universal Service Fund (USF). Joint Secretary Ministry of Information Technology informed the Committee that CEO, USF had arrived Islamabad but due to illness he could not attend this meeting. Chairman Committee directed the Ministry of Information Technology & Telecommunications to ensure the presence of Chief Executive Officer, Universal Service Fund (USF) in next Committee meetings.

#### Agenda Item No.1

6. Committee raised serious reservations over the manner of removing Ex-Chief Executive Officer, Mr. Riaz Ashar Siddiqui of Universal Service Fund (USF). The Committee, expressed concern over the appointment of Mr. Farooq Ahmed Awan, Chairman, Pakistan Telecommunication Authority (PTA) and observed that the haste in the appointment reflects favouritism on the part of the Government. The Committee observed that officials of USF failed to provide documents to substantiate their stance that Ex-CEO USF was removed due to his poor performance. G.M. USF informed the Committee that Supreme Court / High Court has dismissed the Ex-CEO, USF petition as he was contractual employee. Senator Hamayun Khan Mandokhail was of the view that fake papers / proves were provided to the Apex Courts and in view of that court dismissed his appeal. Senator Hamayun Khan Mandokhel directed the USF representatives to produce the papers given in the court and judgment of the apex court before the Committee in next meeting.

7. In absence of Convener Sub-Committee, Senator Malik Muhammad Rafique Rajwana, Senator Hamayun Khan Mandokhel read out the report of the Sub-Committee of Senate Standing Committee on Information

Technology & Telecommunications regarding removal of Ex-CEO, USF and appointment of Chairman PTA. He recommended that Standing Committee may uphold the recommendations of Sub-Committee and endorsed the same. He directed the Ministry of Information Technology and Telecommunications to immediately call a meeting of USF Board and implement the recommendations of Sub-Committee and reinstate the Ex-CEO, USF and compliance report be submitted to the Committee within two weeks.

#### **Agenda Item No.2**

8. Representative of PTA gave detail briefing on the directions of Senator Osman Saifullah Khan regarding closure of You Tube in Pakistan. Mr. Waseem Tauqeer, Director General Pakistan Telecommunications Authority informed that after launch of blasphemous videos, the management of You Tube and Face Book were contacted through the Ministry of Foreign Affairs and requested to remove objectionable material from You Tube but they have failed to remove these blasphemous videos from their sites. He said that 95,000 links to the sacrilegious contents still existed on the You Tube, however, the management of Face Book removed all relevant material. He further informed the Committee that on September, 18, 2012 Ministry of Information Technology and Telecommunications directed PTA to block You Tube on the directions of Ministry of Interior, till further orders of Government of Pakistan. Senator Osman Saifullah Khan said that he came to know that Google as well as You Tube wants local domain but some departments are not allowing it. Interior ministry has been blocking and unblocking the site due to which fingers are being raised at the ministry of information technology. All stakeholders should be consulted in decisions like blocking You Tube.

9. Senator Osman Saifullah Khan said that it was the responsibility of Ministry of I.T. and PTA to resolve the issue without blocking You Tube

because the website was also used for research, entertainment and other purposes. While replying to the questions of Senator Osman Saifullah Khan, DG PTA replied that it was correct that in Saudi Arabia, India, Russia, Brazil, Singapore and other countries, blasphemous material was removed without blocking YouTube but it became possible because of a Mutual Legal Assistance Treaty ( MLAT), which Pakistan does not have with USA.

10. Meanwhile Senator Mohammad Zahid Khan occupied the Chair as Chairman Committee had to go for a funeral. On suggestions of the honourable Senators, Chairman Committee Constituted a Sub Committee with the following composition.

- |    |                                |          |
|----|--------------------------------|----------|
| 1. | Senator Osman Saifullah Khan   | Convener |
| 2. | Senator Hamayun Khan Mandokhel | Member   |
| 3. | Senator Mrs. Farhat Abbas      | Member   |

11. This Sub Committee will look into the following matters:-

- i. Negotiations with YouTube authorities for blockage of sacrilegious content on their video sharing website.
- ii. Negotiations with representatives of Google regarding Mutual Legal Assistance Treaty (MLAT) and blockage of objectionable material on the internet.
- iii. To check the record / data of PTA regarding the loss made to remittance of Pakistan due to increase in international call rates, reservation / loss of overseas Pakistanis and profit made by telecommunication companies in this regard.

12. Director-General, Pakistan Telecommunication Authority (PTA) Mr. Waseem Tauqeer informed the Committee that PTA is now a days non-functional due to vacant posts of Chairman and members. At present only one post of Member (Technical) is filled in PTA. Joint Secretary Cabinet who attended the meeting on behalf of Special Secretary (Cabinet) informed the Committee that three vacant posts of Members are advertised

and 1<sup>st</sup> march, 2013 is last date of applications and recruitment will be finalized in first week of March and selection of Chairman will be finalized till 15<sup>th</sup> March, 2013. The Committee showed displeasure over attendance of Committee meeting less than rank of Additional Secretary as it is violation of senate standing committee rules. J.S. Cabinet informed that Special Secretary had prior appointments in Supreme Court so he could not attend this meeting. Committee asked the PTA regarding routine / Policy matters of PTA in absence of Chairman and three members. In reply D.G. (PTA) informed the Committee that routine matters which are delegated by authority to other officers are running, only policy matters and licensing matters which required direct approval of the authority are pending till the appointment of new Chairman, PTA. The Committee showed displeasure over the non-functional status of PTA and suggested that there should be an Acting Chairman till the availability of regular Chairman so that the policy / licensing matters may not be affected and for that opinion of Law Ministry may be sought and after that rules may be amended. Senator Hamayun Khan Mandokhel gave an example of NHA's rule that in absence of NHA Chairman, Member (Finance) can work as Acting Chairman.

### Agenda Item No.3

13. Committee expressed its concern over increase in call rates by PTA. Chairman Committee, Senator Mohammad Zahid Khan was of the view that now overseas Pakistanis would have to pay more to talk to their near and dear ones and the remittance to Pakistan will also decrease and asked the PTA to brief the Committee about the latest position of the case.

14. PTA gave detailed briefing on the matter and informed the Committee that a large number of Overseas Pakistani have lodged their complaints with PTA on increased call rates for calling to Pakistan from abroad. A few embassies of Pakistan abroad and Overseas Pakistanis

Foundation have also written to PTA on the same issue. Representative of PTA further informed the Committee that no tax has been imposed by PTA on overseas telephone callers, calling Pakistan from abroad. PTA does not have any jurisdiction regarding imposition of tax on telecom services as it is the domain of Ministry of Finance / FBR. The criticism being reported in the media is due to the recent increase in ASR of US Cents 8.80 per minute whereas the foreign carriers had been charging high international call rates such as incoming call tariff per minute from UK is US dollars 0.19 to 0.48, Canada US dollars 3.63 to 3.75, USA US dollars 1.19, UAE US dollars 0.65, Australia US dollars 4.49 and Saudi Arabia US dollars 0.45 which are already higher than Pakistan's ASR US Dollars 0.088 per minute. They also informed that other countries are charging higher ASR in comparison to Pakistan. For example, Srilanka 9.5 cents, Indonesia 10 cents and UAE is charging 13 cents which are higher than that of Pakistan.

15. PTA further informed that foreign operators have substantially increased their margins. The cheap rates offered by resellers (calling card sellers, who are not operators) in abroad have the problem of QoS, underreporting/undercutting of the minutes and higher billing pulse of 10/20 minutes. Unfortunately, these resellers are not willing to compromise on their profits and are trying to mislead though no APC has been levied on International Incoming SMS in Pakistan whereas international carriers also levy such charges on international SMS termination. Expatriates most frequently use other forms of technologies such as VoIP through internet, Google, Ikhaya, Skype & Viber for Free Calls to Paksitan and no APC is applicable on such communication.

16. According to PTA representative, International Clearing House (ICH) had been adopted to eliminate grey or illegal call traffic to Pakistan and to streamline all the incoming international calls through PTCL maintained Central Gateway and all LDI Operators will share revenue based on their market share and Government will collect an additional dollars per month

through increased call rates, but on October, 25, 2012, the Lahore High Court has granted stay on establishment of International Clearing House (ICH) Exchange, on a writ petition filed by Brain Telecom Pvt. Ltd and noticed served to Ministry of Information Technology, PTA, CCP and PTCL. The next date of hearing is 15<sup>th</sup> March, 2013 and PTA is pursuing the case in the court of law. In light of Court orders, PTA through its letter dated December 17, 2012 directed all LDI, CMO and LL operators to comply with the orders of the honorable court and also clarified the international ruminations rates (subsequent to Court orders) would now be 6.25 cents / minute instead of 8.8 cents / minute same as before ICH.

17. The Committee decided that Sub-Committee will look into the matter and collect the data / previous record from PTA as to how much loss has been made to remittance of Pakistan due to increase in International Call rates and profit made by Telecommunication companies so far in this regard.

18. Senator Hamayun Khan Mandokhel pointed out the pending dues of US\$ 800 million by Etisalat (UAE telecommunication company) and asked the PTA for steps being taken by them in this regard. Director General PTA informed the Committee that it is the responsibility of Privatization Commission. The Committee directed that Privatization Commission may be invited in the next meeting

#### Agenda Item No.4

19. USF informed the Committee that M/s PTCL was never declared a defaulter by PTA or Ministry of Information Technology, however, there was a dispute between PTCL & Ministry of I.T. regarding the start of USF 1.5% contribution whether it would start from 1<sup>st</sup> January, 2009 or 1<sup>st</sup> July, 2009. The issue was resolved and PTCL was intimated through Ministry of Information Technology vide letter No.18-1/2011-DT dated 25<sup>th</sup> July, 2012

that PTCL is obliged to pay the USF contribution from 1<sup>st</sup> July 2009 onward. USF representative further informed that M/s PTCL has never defaulted in their payment and are regularly paying their dues since 1<sup>st</sup> July, 2009.

20. As regards the termination of the contract for Malakand Lot with M/S Telenor Pakistan, USF informed the Committee that contract with M/s Telenor Pakistan (Pvt.) Ltd. was signed for Malakand Lot on 4<sup>th</sup> October, 2012. However, due to prevalent security issues the progress on project came to standstill. After prolonged Force Majeure events the Service Provider requested to terminate the contract. The matter was taken to the USF Board of Directors in its 24<sup>th</sup> Meeting held on 31<sup>st</sup> May, 2011 and Board resolved to approve the termination of the existing Services Subsidy Agreement (SSA) with Telenor for Malakand Lot and prepare for re-auction of the entire Malakand Lot as one or more Lots, after obtaining legal opinion from Law Division. The Board after due deliberations resolved and approved that USFCo and Telenor Pakistan mutually terminate the agreement in accordance with Clause 13.04(b) and Clause 4.01 (a) of the signed Services & Subsidy Agreement. Process for termination of the agreement has been initiated. After termination of the contract, un-served areas in Malakand division shall be re-evaluated to prepare feasibility of further projects.

21. In light of the above, the Committee unanimously made the following recommendations:-

- i. The Committee decided that the removal of Mr. Riaz Asher Siddiqui former Chief Executive Officer, USF was illegal, therefore, he may be reinstated and also directed the Ministry of Information Technology & Telecommunications to submit a compliance report to the Committee within two weeks.
- ii. The Committee directed the USF representatives to produce the papers given in the court / judgment of the apex courts in

case of Mr. Riaz Asher Siddiqui, Ex-CEO, USF in next Committee meeting.

- iii. The Committee also directed the Ministry of Information Technology and Telecommunications to ensure the presence of Chief Executive Officer, USF in Committee meetings.
- iv. The Committee directed that Privatization Committee may be invited in the next meeting alongwith agreement made between Government of Pakistan and Etisalat about the privatization of PTCL and also submit all information like property file etc. The meeting may also be attended by Ministry of Information Technology, PTA and PTCL.
- v. The Committee constituted a Sub-Committee under the Convener-ship of Senator Osman Saifullah Khan which will negotiate with You Tube authorities for blockage of sacrilegious content on their video sharing website and will also negotiate with representatives of Google regarding Mutual Legal Assistance Treaty (MLAT) and blockage of objectionable material on the internet.
- vi. The Committee also decided that Sub-Committee will examine the record/data of PTA regarding the loss made to remittance of Pakistan due to increase in the International call rates, reservation / loss of overseas Pakistanis and profit made by telecommunication companies in this regard.
- vii. The Committee suggested that PTA should seek opinion of Ministry of Law for amendments in their rules regarding charge of Acting Chairman PTA till the appointment of regular Chairman.

22. The meeting ended with a vote of thanks to, and from the chair.

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## SENATE SECRETARIAT

### MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

A meeting/visit of the Senate Standing Committee on Information Technology & Telecommunications was held on 13<sup>th</sup> March, 2013 at 2:00 p.m. in Headquarters Special Communications Organization (SCO), Rawalpindi under the Chairmanship of Senator Muhammad Idrees Khan Safi.

2. Agenda before the Committee was as under:-

- i. Visit of SCO Headquarters and briefing on the working and performance of SCO.
- ii. To review the progress on the issue of bringing FATA within the domain of the SCO.
- iii. Any other item with the permission of chair.

3. Following members of the Committee attended the meeting:-

Senator Hamayun Khan Mandokhel	Member
Senator Adnan Khan	Special Invitee

4. A list of officers of Ministry of Information Technology & Telecommunications, Pakistan Telecommunication Authority (PTA) and Special Communications Organization (SCO) who attended the meeting is also annexed.

5. The meeting started with recitation from the Holy Quran. Thereafter, DG, SCO welcomed all the participants and thanked honourable Chairman/Members of Senate Standing Committee on their first ever visit to HQ SCO and briefly introduced all the officers of the SCO who attended the meeting. He requested Director (Development) to give briefing to the Committee as per agenda items. Director (Development), SCO gave a detailed briefing on working and performance of SCO. The briefing given by the officer was followed by intensive question/answer session.

6. After intensive discussion the Committee made following recommendations:-

- i. Ministry of IT should take all stakeholders on board and issue special directive within one month. In case of any hindrance, the Chair shall be apprised accordingly for necessary advice/direction as deemed appropriate.

- ii. Award of LDI license to SCO being Government organization is fully supported. The process for award of license be immediately initiated and Senate Standing Committee be updated on the progress on monthly basis.
  - iii. Required spectrum be allocated to SCO on deferred payment basis (through easy installments) out of realized SCO revenue. Necessary direction to this effect be issued immediately by Ministry of IT and PTA respectively. Senate Committee shall be apprised of the progress on monthly basis.
7. The meeting ended with a vote of thanks to and from the Chair.
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## SENATE SECRETARIAT

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Subject:- **MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY & TELECOMMUNICATION**

A meeting of the Senate Standing Committee on Information Technology & Telecommunication was held on 26<sup>th</sup> March, 2013 at 02:00 pm at Parliament House, Islamabad chaired by Senator Muhammad Idrees Khan Safi.

2. The following members of the Committee attended the meeting:-

i. Senator Syed Faisal Raza Abidi	Member
ii. Senator Mrs. Farhat Abbas	Member
iii. Senator Hamayun Khan Mandokhel	Member
iv. Senator Muhammad Zahid Khan	Member
v. Senator Shirala Malik	Member
vi. Senator Malik Muhammad Rafiq Rajwana	Member

3. The agenda before the Committee was as under:-

- (i) Follow-up/implementation status of recommendations presented by Sub-Committee regarding the sacking of the then CEO, USF Mr. Riaz Ashar Siddiqui and the appointment of the incumbent CEO, USF and the directions thereon by the Chairman Standing Committee.
- (ii) Follow-up/implementation status of the recommendations presented by Sub-Committee regarding the appointment of the then Chairman, PTA Mr. Farooq Ahmed Awan and the directions thereon by the Chairman Standing Committee.
- (iii) To discuss fresh appointment/ selection of Mr. Farooq Ahmed Awan as Member, PTA despite the concern and recommendation of the Sub-Committee and to get expert opinion on the issue in the light of the order of the Lahore High Court
- (iv) Any other item with the permission of the Chair.

4. The meeting commenced with the recitation from the Holy Quran. Senator Muhammad Idrees Khan Safi, Chairman Standing Committee welcomed all the participants and said that Sub-Committee was constituted to examine the case of appointment of Chairman PTA Mr. Farooq Ahmed Awan and sacking of the then CEO, USF Mr. Riaz Ashar Siddiqui. He said that report of the Sub-Committee was presented in the Standing Committee for its approval, however, due to his personal

engagements Senator Muhammad Zahid Khan presided over the meeting, He requested Senator Muhammad Zahid Khan to give his views in this regard.

5. Senator Muhammad Zahid Khan said that Sub-Committee presented his report in the meeting and after detail discussion the report of the Sub-Committee was approved. He said that 1<sup>st</sup> issue was appointment of Mr. Farooq Ahmed Awan as Chairman PTA and it was recommended by the Sub-Committee that the appointment as Chairman in a manner depicting clear favouritism and under favour, hence is violation of Rules and removal from such a prestige post. He said that 2<sup>nd</sup> recommendation was to re-instate Mr. Riaz Ashar Siddiqui as CEO but still it has not been reinstated. He inquired that who will implement the recommendations.

6. Additional Secretary, Establishment Division informed that summary was initiated by the Establishment Division wherein all the following facts were briefly explained to bring the notice of the authority for taking appropriate decision. Prime Minister desires to send a panel of officers for appointment of Chairman and Member PTA including the name of Mr. Farooq Ahmed Awan. He informed that panel consisting of three names of officers having excellent profile included the name of Mr. Farooq Ahmed Awan with the remarks that it is included on the desire of Prime Minister, was sent to the Prime Minister Secretariat. He said that it was briefly mentioned the short order of the honourable Lahore High Court Lahore dated 15<sup>th</sup> January, 2013, wherein his appointment as Member, Chairman PTA declared without lawful authority and directed to relinquish the charge at the same day. In compliance thereof he relinquished the charge of the said post on the same day. The matter is still sub-judice. Final judgment is awaited. He informed that Mr. Farooq Ahmed Awan filed ICA his own against the short order at the personal level, whereas no appeal has been filed by GOP, whose order for appointment was set-aside by the Lahore High Court Lahore. Rather the Establishment Division posted him OSD, ICA was fixed for hearing on 24<sup>th</sup> January, 2013 & 24<sup>th</sup> February, 2013. The honourable Court reversed the judgment on the maintaining of ICA. It was also mentioned that above referred order of the Court is in the field and any action contrary to that order may tantamount to contempt and strict action by the honourable High Court Lahore. The tenure of the officers in PTA remained under intense focus of media and was marked with controversies, allegation of corruption and in fighting within the organization. A number of news reports have been appearing in media on PTA, relating the conduct of officers in the organization. **Furthermore, the issue of his**

**appointment as Member, Chairman PTA was also taken up by the Standing Committee Senate as well as PAC, National Assembly and both the Committees raised serious objections over his appointment.** He said on above mentioned query, Secretary Cabinet also recorded that the appointment has been amply explained by the Establishment Division. It is also added that the position of Member Finance, Member Technical and Member compliance and enforcement PTA have also been advertised in the press on 14<sup>th</sup> February, 2013. The closing date for receipt of applications is 1<sup>st</sup> March, 2013. He said that it has clearly been explained that process is in progress, however, Prime Minister being a competent authority, either obtaining opinion from Law approved the appointment of Mr. Farooq Ahmed Awan.

7. Special Secretary Cabinet said that there are three petitions pending in the Lahore High Court whereas, one petition is in Islamabad High Court now. He said that Rules framed by the Federal Government have been challenged in Islamabad High Court where Lahore High Court has issued notices of contempt of court. Replies from the Cabinet Division & Establishment Division have been sent to the honourable Court. He said that Lahore High Court has fixed the 17<sup>th</sup> April, whereas, in Islamabad High Court 1<sup>st</sup> April, 2013. He said that Islamabad High Court will announce the judgment on 1<sup>st</sup> April, 2013 however, Cabinet Division, already advertized in the pres according to the rules. He further informed that Election Commission of Pakistan has also directed to stop the process of appointment but Cabinet Division had requested that the institution is totally dysfunctional in the absence of Chairman and two members.

8. Senator Muhammad Zahid Khan said that despite, the facts brought to the notice of Prime Minister by the Establishment Division wherein reservation of the Committee as well as PAC National Assembly on appointment of Chairman PTA alongwith detail of process already initiated by Secretary Cabinet, for taking appropriate decision but unfortunately the authority exercise his power in violation of Rules, He proposed that matter should be referred to the NAB for conducting inquiry and fix the responsibility of misuse of authority.

9. Special Secretary Cabinet said that the matter is in Court i.e Islamabad High Court and Lahore High Courts, however it is August forum and whatsoever decision is taken, Cabinet Division would implement it. He said that all these facts are before the court and expected to be decided by the Court within 25 or 20 days. Therefore,

he proposed that before taking any decision, Committee may wait for two or three weeks.

10. Senator Hamayun Khan Mandokhel said that when this issue was under discussion in the Sub-Committee, simultaneously the case was also under consideration before the Court and judgment was announced two days before, the decision taken by the Sub-Committee. He said that the decision of the Sub-Committee was same as given by the honourable Court. Therefore, in case, the matter is referred to NAB for conduction inquiry it may helpful at any stage for taking decision by the court.

**11. After detailed discussion the Committee unanimously recommended that Cabinet Division should refer the case of appointment of Mr. Farooq Ahmed Awan as Member, Chairman PTA to NAB for conducting inquiry to fix the responsibility of misuse of authority within a shortest possible time and copy to Secretariat for information.**

12. Senator Muhammad Idrees Khan Safi, Chairman Standing Committee on Information Technology & Telecommunication said that the case of Mr. Sajjad Latif Awan was also discussed in the meeting. He said that Mr. Sajjad Latif Awan was removed by the Authority from the post of DG (Enforcement) and placed on H.R Pool. This order of the Authority was challenged by Mr. Sajjad in Islamabad High Court. However, beside the Authority order and dismissal of the petition by Islamabad High Court Mr. Sajjad is still occupying the position of DG (Enforcement) and harassing the officers of the Enforcement Division of PTA. He is also threatening the officer who has taken the charge of the Enforcement Division. He advised Secretary Cabinet Division to direct Mr. Sajjad to immediately vacate the office of the DG (Enforcement) and also initiated disciplinary action against him.

13. Special Secretary Cabinet said that the case of Mr. Sajjad has been received in the Cabinet Division for comments. The matter is also referred to Law for opinion because his qualification has also been questioned. He assured the Committee that Cabinet Division would resolve this issue within next two weeks.

**14. The Committee unanimously recommended that Cabinet Divion should probe into the qualification of Mr. Sajjad and to ascertain as to how he was**

**promoted and posted on a technical position for which Engineering qualification is required under PTA regulation and PEC Act, 1976.**

15. Secretary, Information Technology & Telecommunication gave detailed briefing on agenda item No.1. He said that Mr Riaz Ashar Siddiqui was removed from the post of CEO by Board of USF. He approached to various forums and also filed petition in Islamabad High Court. Whereas, Supreme Court of Pakistan took sue-moto action on the basis of news published in the newspapers. Mr. Riaz Ashar was of the view that government cannot terminate him without communicating a solid reason to him. He also quoted the Supreme Court judgment given in Miss Anita Turab case, wherein according to honourable Supreme Court verdict, government servant cannot be terminated or posted OSD without giving reasonable reasons. He informed that after detail hearing Supreme Court pas the judgment on 16<sup>th</sup> June, 2013. He said that excerpt of the relevant portion of the order is as under:-

**“This CMA raises two issues. The first relates to the termination of Mr. Riaz Asher Siddiqui as CEO of Universal Service Fund (Guarantee) Limited. The admitted position is that Mr. Siddiqui was employed on contract as CEO of USF Guarantee Limited. The said company had terminated his employment. The case of Ms. Anita Turab (Constitution Petition No. 23 of 2012), which was the basis of taking notice in the case of Mr. Siddiqui, relates to Civil Servants and not to contract employees. The said case of Ms. Anita Turab therefore, has no application to the circumstances of the present case. However, if Mr. Siddiqui has any claim for damages or otherwise for wrongful termination or breach of contract, he may approach the competent forum available under the law. In view of the foregoing discussion, this application is disposed of, leaving Mr. Riaz Asher Siddiqui and Midas Private Limited to pursue their remedies before the competent/forum provided under the law.”**

16. Senator Muhammad Zahid Khan said that report of the Sub-Committee was presented in the meeting of the Standing Committee and it was recommended by the Committee to reinstate Mr. Ashar but he has not been reinstated so far. He informed that honourable Supreme Court of Pakistan passed a judgment wherein Mr. Riaz Ashar is advised to pursue his remedies before the competent forum under the law. He said that Standing Committee is part of the Parliament and is authorized forum to address the genuine issue of the people. Therefore, Secretary, Information Technology & Telecommunications should implement the recommendation without further delay.

17. Secretary, Information Technology & Telecommunication said that Mr. Riaz Ashar challenged his termination and filed a writ petition no. 3738/12 before

Islamabad High Court Islamabad and the petition was dismissed on 11<sup>th</sup> February 2013 in the light of honourable Supreme Courts verdict by saying that “ **the petitioner was a contract employee and his services were terminated by the Board of Directors of Universal Service Fund and the Honourable Supreme Court has not granted any relief against his termination.**” He said that the minutes of the Committee was received on 13<sup>th</sup> March, 2013 wherein it is recommended by the Committee to reinstate Mr. Ashar. Therefore, the matter is required to be placed before the Board of Directors of USF which is not functional so far.

18. Senator Muhammad Zahid Khan said that Secretary Information Technology & Telecommunications has two options, 1<sup>st</sup> options to implement the recommendation of the Sub-Committee as well as of the Standing Committee and 2<sup>nd</sup> option is to face the action to be taken against him by moving motion of breach of privilege by the Committee against him because according to the verdict of honourable Supreme Court Mr. Ashar can approach to the appropriate forum and accordingly after detailed discussion it was recommended by the Sub-Committee & also approved by the Standing Committee which is a proper forum.

19. Senator Muhammad Idrees Khan Safi, Chairman Standing Committee endorsed the view of Senator Muhammad Zahid Khan and said that why the recommendation of the Committee has not been implemented and who is responsible in this case.

20. Secretary, Information Technology & Telecommunication informed that after receipt of minutes of the Committee officially on 8<sup>th</sup> March, 2013 the Secretary Board of Director USF was communicated immediately to convene meeting of the Board after consulting with Prime Minister because the meeting of Board is headed by the Prime Minister of Pakistan. He said that USF is not such government organization because it has been registered under SECP Company Ordinance.

21. Senator Muhammad Zahid Khan inquired as & when the recommendation of the Committee would be implemented.

22. Secretary, Information Technology & Telecommunication informed that Prime Minister has assumed the charge of Prime Minister, however, the Federal Cabinet is

expected to be constituted shortly. He said that the matter should be immediately brought to the notice of Federal Minister for Ministry of Information Technology as he is ex-officio member of the Board of Directors.

23. Senator Muhammad Idress Khan Safi, Chairman Standing Committee said that efforts should be made by Secretary, Information Technology to implement the recommendations within shortest possible time because timeframe for implementation given in the recommendation is only two weeks. He further advised Secretary Information Technology to inform the Prime Minister in writing that institution is dysfunctional due to non completion of Board of Directions of USF. He said that Secretary, Information Technology in coordination with the Secretary Cabinet Division should take immediate steps to appoint members of the USF.

24. Secretary, Information Technology informed that the matter has already been taken up and now only date of meeting would be fixed after consultation with Prime Minister.

**25. The Committee unanimously recommended that Secretary, Information Technology & Telecommunication should immediately bring all the recommendations of the Committee to the notice of Prime Minister and implement on priority basis, but not more than two weeks.**

26. Senator Muhammad Zahid Khan proposed that all the activities done during that period should be declared illegal except routine work from the date Sub-Committee was constituted till today.

**27. The Committee recommended that all activities except routine work should be declared illegal from the date of Sub-Committee was constituted till todate.**

28. Senator Hamayun Khan Mandokhel pointed out that Committee may also issue directive regarding function of PTA in the absence of Chairman PTA. He proposed that all power should rest with the Secretary Cabinet till the appointment of Chairman PTA to make function of PTA during this period with responsibility.

29. **The Committee recommended that all the power to run the affairs of PTA and issue a notification immediately under intimation to the Committee.**

30. The Committee after detailed discussion made following recommendations:-

- i. Cabinet Division should refer the case of appointment of Mr. Farooq Ahmed Awan as Member, Chairman PTA to NAB for conducting inquiry to fix the responsibility of misuse of authority within a shortest possible time and copy to Secretariat for information.
  - ii. Cabinet Division should probe into the qualification of Mr. Sajjad, D.G (Enforcement), PTA and to ascertain as to how he was promoted and posted on a technical position for which Engineering qualification is required under PTA regulation and PEC Act, 1976.
  - iii. Secretary, Information Technology & Telecommunication should immediately bring all the recommendations of the Committee to the notice of Prime Minister and implement on priority basis, but not more than two weeks.
  - iv. All activities except routine work should be declared illegal in USF from the date Sub-Committee was constituted till todate.
  - v. All the power to run the affairs of PTA should rest with the Secretary Cabinet till the appointment of Chairman PTA and issue a notification immediately under intimation to the Committee.
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## SENATE SECRETARIAT

Subject:- MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS HELD ON 17-06-2013 AT 11:00 A.M. IN COMMITTEE ROOM NO.4, PARLIAMENT HOUSE, ISLAMABAD.

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 17-06-2013 at 10:00 am in Committee Room No.04, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idrees Khan Safi.

2. The following members of the Committee attended the meeting:-

i.	Senator Haji Saifullah Khan Bangash	Member
ii.	Senator Muhammad Mohsin Khan Leghari	Member
iii.	Senator Malik Muhammad Rafique Rajwana	Member
vi.	Minister of State for Information Technology & Telecommunications	Ex-Officio Member

3. The agenda before the Committee was as under:-

- i. To review the progress on the issue of bring FATa within the domain of the SCO in light of the directions of the committee given in its meeting held on 13<sup>th</sup> March, 2013 at SCO Headquarters.
- ii. Briefing by National ICT R&D Funds on Prime Minister's National ICT Scholarship Program 2013.
- iii. Follow-up/implementation status by the ICT R&D Fund on the recommendations given by the Committee in its meeting held on 9<sup>th</sup> July, 2012 regarding formation of R&D Fund Board, funding mechanism and observance of guarantee mechanism while making payment, ascertaining the accreditation of the institutions to whom projects are being/have been awarded, review of project in

Islamabad to whom 50% funding have been made and submission of Audit Report of the projects (Completed/in pipeline).

vi. Any other item with permission of the Chair.

4. The meeting started with the recitation from the Holy Quran. The Chairman of the Committee welcomed all the Members of the Committee as well as officers of the Ministry of Information Technology and Telecommunications. On behalf of Chairman Committee, Senator Malik Muhammad Rafiqu Rajwana welcomed Ms. Anusha Rehman, on her election as Minister of State for Information Technology and Telecommunications and wished her best of luck for her future endeavors. Ms. Anusha Rehman, Minister of State for Information Technology and Telecommunications reciprocated the same and wished that she will honor the recommendations of the Standing Committee and will co-operate the Standing Committee in its decisions and recommendations.

5. Thereafter, Chairman Committee Senator Muhammad Idrees Khan Safi asked the Ministry of Information and Technology and Telecommunications to brief the Committee about the issue of bringing FATA within the domain of the SCO in light of the directions of the Committee given in its meeting held on 13<sup>th</sup> March, 2013 at SCO Headquarters. Mr Muhammad Ijaz, Additional Secretary, Ministry of Information Technology and Telecommunications gave a detailed briefing about the agenda Item.

6. He informed the Committee that in pursuance to the directives of the Senate Standing Committee that Ministry of Information Technology to take up the case for extension of jurisdiction of SCO in FATA in addition to Azad Kashmir and Gilgit Baltistan and take all stakeholders on board and issue policy directive accordingly, the Ministry of Information Technology held consultations with the stakeholders, including Pakistan Telecommunication Authority (PTA), SCO and licensed telecom operators and had several meetings with all stakeholders in this regard.

7. He apprised the Committee that the proposal for the inclusion of FATA in the mandate of SCO was opposed by all the licensed telecom operators, including the Cellular Mobile Operators (CMOs), as inclusion of FATA in the mandate of SCO is in contradiction with the “Pakistan Telecommunication (Re-Organization) Act 1996 [Amended 2006] and De-Regulation Policy for the Telecommunication Sector 2003, which limits the jurisdiction of SCO to Gilgit Baltistan /AJK areas.

8. He further informed the Committee that during the meeting held in Ministry of Information Technology on 3<sup>rd</sup> May, 2013 to discuss the matter, CMOs proposed that they are ready to extend telecom services to FATA, if government can fund it through the Universal Service Fund(USF). He informed that Ministry of Information Technology asked all stakeholders to cope up with combined solution but no such proposal has been reached so far. SCO has requested Ministry of Information Technology for issuing a Special Directive for inclusion of FATA in the jurisdiction of SCO by invoking section 54 of Pakistan Telecommunication (Re-Organization) Act, 1996 [Amended 2006].

9. On the direction of Senator Malik Muhammad Rafique Rajwana the act was read out which states that:-

*“During a war of hostilities against Pakistan by any foreign power or internal aggression or for the defense or security of Pakistan, the Federal Government shall have preference and priority in telecommunication system over any licensee”*

10. Mr. Muhammad Ijaz, Additional Secretary informed the Committee that the Ministry of Information Technology have taken up this matter with Ministry of Law in this regard and reply from Law Division is awaited.

11. Chairman Committee emphasized the Ministry of Information Technology to solve the matter as soon as possible.

12. Minister of State informed the Committee that she will take up the matter personally as she has meeting with SCO on 24<sup>th</sup> June, 2013 and assured the Committee that soon Ministry of Information Technology will find a solution in this regard.

13. On this occasion, the Chairman committee also sought report / brief on the appointments / promotions orders in National ICT R&D Fund during last six months. Chairman Committee was of the view that many appointments have been made in National ICT R&D Fund on the basis of telephonic interviews, by violating the merit.

14. Representative of National ICT R&D Fund informed that after short listing of CVs, they conducted preliminary interviews on telephone in case if candidate belongs to far-flung area, but physical appearance in final interview is compulsory for all candidates. He also explained the tears of recruitment.

15. Ms. Anusha Rehman, Minister of State for Information Technology directed the Additional Secretary, Ministry of Information Technology to submit one page summary tears of recruitment and detail of appointments made in National ICT R&D Fund within one week before the Committee.

16. Giving audio video briefing by representative of National ICT R&D Fund on agenda Item No.2, the Committee was informed that Prime Minister's National ICT Scholarship Program 2013 provides fully funded 4-year undergraduate degree scholarships in ICT related disciplines in some of the leading ICT universities of Pakistan. He further informed the Committee that for the year 2013, 26 universities from across Pakistan are participating in the program. He apprised the Committee that this is a fully funded scholarship and covers

admission and tuition fee, boarding & lodging, book allowance, meals allowance and stipend for students who are awarded the scholarship.

17. The committee was informed that scholarship awarded on a prescribed criteria under which matric and F.Sc student having first divisions from 1,600 government schools are being awarded scholarships from which 7,000 students get benefits annually. Record of these 7,000 students is available and they are being provided training. Top 500 of them are awarded scholarships. Through NTS a proper test is taken for selection.

18. On this occasion Chairman Committee stated that it was not the mandate of that institute to give scholarships to students but should focus on research work. Senator Malik Muhammad Rafique Rajwana and other members of Committee were of the view that students should be given jobs in that institute to utilize them for promotion of research. Minister of State for Information Technology said that students should be given curriculum according to the industry's requirements. The committee expressed apprehensions over the national research and development scholarship funds programme 2013 and directed the concerned department to provide a report of the procedure followed for selection within one week in this regard.

19. After detailed discussion the committee unanimously recommended the following recommendations:-

1. Ministry of Information Technology may pursue the summary sent by them to Ministry of Law & Justice regarding inclusion of FATA in the jurisdiction of SCO by invoking section 54 of Pakistan Telecommunication (Re-Organization) Act, 1996 [Amended 2006] and solve the issue on emergent basis.

2. Ministry of Information Technology may send a summary of terms of recruitment and detail of appointments made in National ICT R&D Fund in the last six months, within one week to the Committee
  3. National ICT and R&D Fund may provide a report of the procedure followed for selection of Prime Minister's National ICT Scholarship Program 2013, within one week in this regard
20. The meeting ended with the vote of thanks to and from the chair.
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## SENATE SECRETARIATE

### MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 02-10-2013 at 02:00 pm in Committee Room No.04, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

Senator Muhammad Mohsin Khan Leghari	Member
Senator Osman Saifullah Khan	Member
Senator Syed Faisal Raza Abidi	Member
Minister of State for information Technology	Ex-Officio Member

3. The agenda before the Committee was as under:-

- i. Further briefing by National ICT R&D Fund on Prime Minister's National ICT Scholarship Program, 2013 and reasons for inability of the Ministry in providing the additional details pertaining to the recruitments for various positions in the Nation ICT R&D Fund to the Senate Standing Committee.
- ii. Briefing by PTA about the progress on grant of 3G license.
- iii. Briefing on the grey trafficking and measure taken by the concerned for curbing the menace, action taken against the cellular companies for alleged involvement of the companies' SIMs and internet lines being used for the same purpose.
- iv. Briefing by the Chairman, HEC about various IT educational programs and degree courses offered in the country.
- v. Details of the frequency allocated to various TV Channels by PEMRA and the criteria for award of frequencies.
- vi. Any other items with the permission of the Chair.

4. The meeting started with the recitation from the Holy Quran by honorable Senator Muhammad Mohsin Khan Leghari. The Chairman of the

Committee welcomed all the members of the Committee as well as the officers of the Ministry of Information Technology and Telecommunications. All the members welcomed the newly appointed Acting Chairman PTA and wished best of luck for assuming the charge and expediting the longstanding issue of 3G auctioning.

5. Thereafter, the Chairman Committee, Senator Muhammad Idress Khan Safi asked the Ministry of I.T & Telecomm to brief the Committee about the Prime Minister's National ICT Scholarship Program 2013 and the criteria for awarding scholarships to the students for 4-year undergraduate degree scholarship in ICT related disciplines in the leading ICT universities of Pakistan. The Secretary, Ministry of I.T & Telecomm gave a short introduction of the program and sought permission of the Committee Chair for further briefing by the CEO National ICT R&D on the selection criteria for awarding scholarships. The CEO gave a detailed presentation on the two phased program of selecting and awarding the scholarships through an ICT-Scholarship Award Test and enrollment of successful candidates in the 26 participating universities of Prime Minister's National ICT Scholarship Program 2013. In response to a query by the Senator Osman Saifullah Khan regarding the representation of the candidates of less developed areas the CEO shared that the scholarship is granted on the basis of approved NEC formula of Government of Pakistan which incorporates the students of less developed areas with foremost priority.

6. While informing the Committee about the details pertaining to the recruitment in various positions in the National ICT R&D Fund, the Minister said that the recruitments were made purely on the basis of merit. In reply to a query by the Senator Osman Saifullah Khan regarding the quota of different federating units while filling the said vacancies, the Minister of State for I.T and Telecomm apprised the Committee that the government rules of quota system does not apply to the recruitments made in National ICT R&D Fund because it is sponsored by the telecomm operators.

7. On this occasion, the Chairman Committee also sought briefing by the Ministry of I.T and Telecomm regarding the much awaited auction of 3G spectrum. The Minister of State for I.T and Telecomm shared that a policy framework for auction of spectrum has been laid down and an Advisory Committee to be chaired by Federal Minister for Finance has been constituted by the Prime Minister of Pakistan. A meeting of the said Committee is due on

3<sup>rd</sup> October, 2013 for finalizing policy directive on spectrum auction for next generation Networks (3G and beyond) and also oversee the auction process to be conducted by PTA in the near future.

8. Senator Faisal Raza Abidi said that the excessive delays would lessen the scope and benefits of the 3G auction. He expressed his full support for expediting the auction process in the huge interest of country and the people. Senator Osman Saifullah Khan reiterated on the need of a fresh survey in order to identify the projected users and additional revenue which the 3G auction will add to the national exchequer.

9. The Minister of State said that the new government is committed to carry out the auction process in best possible ways. The services of consultant of international repute would be acquired to maximize the outcomes in term of revenue and services. She further said that the policy directive encourages foreign investments and transfer of technology. While answering to a query by the Senator Mohsin Khan Legari about the method of auction, the Minister of State for I.T & Telecomm said that policy directives allows any form of auctioning method including the Out Cry, Mutliple Rounds of Bid or the Beauty Contest, depending upon the maximum revenue generation from the auction. Senator Faisal Raza Abidi said that he would be closely watching the entire auctioning process to ensure that no irregularity takes place.

10. The Chairman Committee requested the Minister of State to brief the Committee about the measure taken to curb the menace of Grey Trafficking. The Minister of State for I.T & Telecomm said that the PTA with the help of Monitoring and Reconciliation of International Telephone Traffic (MRITT) System is vigilantly monitoring all Internet Traffic destined for Pakistan for identification and eradication of illegal voice traffic. The PTA upon identification of illegal operators files complaint with FIA for investigation and subsequent raid action. In addition to the MRITT system, the International Clearing House (ICH) Grey Monitoring System by the LDI Consortium has also been deployed to curb the grey traffic.

11. Due to her engagements in the Prime Minister Secretariat, Ms. Anusha Rehman, Minister of State sought the permission of the Chairman to leave.

12. The Chairman Committee concluded the meeting by leaving the rest of two agenda items to be discussed in the next Committee Meeting.

13. After detailed discussion the committee unanimously recommended the following recommendations:-

- i. The National ICT R&D Fund must ensure due representation of the candidates from less developed areas while granting the scholarships under the provision of Prime Minister's National ICT Scholarship Program 2013.
- ii. Training Centers should be established in the far flung and less developed areas of the country to ensure maximum enrollment in the Foundation Courses that prepares the students for Scholarship Award Tests.
- iii. Teachers of the less developed areas should be trained through "Training of Teachers (ToT )" to improve the standard and quality of education.
- iv. Ministry of I.T & Telecommunications should expedite the process of 3G auction, so that the additional revenue is added to national exchequer.

14. The meeting ended with the vote of thanks to and from the chair.

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## **SENATE SECRETARIATE**

### **MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS**

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 10-12-2013 at 02:00 pm in Committee Room No.01, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

Senator Muhammad Mohsin Khan Leghari	Member
Senator Mohammad Zahid Khan	Member
Senator Mrs. Farhat Abbas	Member
Senator Osman Saifullah Khan	Member
Senator Saeedul Hassan Mandokhail	Member
Minister of State for Information Technology	Ex-Officio Member

3. The agenda before the Committee was as under:-

- i. To discuss the latest status of You-Tube.
- ii. Progress/implementation status of the decision taken in the previous meeting regarding auction process of 3G and Afghani SIMs.
- iii. Briefing by the USF Company on the progress of establishing IT Centers in the country, details of projects already completed and in pipeline.
- iv. To discuss the issue of non-implementation of courts and Ministry's order for increase in the pension of PTCL retired employees.
- v. To discuss the transfer of over Rs. 62 billion Universal Service Fund (USF) to Federal Consolidated Fund and the delay in release of R&D funds for the information and communication technology (ICT) delaying in R&D funding are ICT students enrolled in educational institutions in Pakistan on scholarships.
- vi. Any other items with the permission of the Chair.

4. The meeting started with the recitation from the Holy Quran by honorable Senator Muhammad Mohsin Khan Leghari. The Chairman

Committee welcomed the Committee members, Minister of State for Information Technology & Telecommunications, as well as the officers of the Ministry.

5. At the outset of the meeting, the Chairman Committee informed the participants that the agenda item (v) pertaining to the issue of transfer of over Rs. 62 billion of Universal Service Fund (USF) to Federal Consolidated Fund has been incorporated on the request of Senator Mohsin Khan Legari. In view of his engagements in Asian Parliamentary Assembly, the rest of agenda items would be discussed after deliberating on the aforementioned issue.

6. After expressing his gratitude to the Chairman and Committee members, Senator Mohsin Khan Leghari read out the Section 33 B of the Pakistan Telecommunications (Re-organization)(Amendment) Act, 2006, where it is stated that **“Universal Service Fund shall be utilized exclusively for providing access to Telecommunications services to the people in un-served, under-served, rural and remote areas”**. While referring to a recent move of the incumbent government by diverting Rs. 62 billion of Universal Service Fund (USF) and Research & Development Fund (RDF) to Federal Consolidated Fund (FCF), the said Senator expressed reservations in this regard that this Fund must not be utilized for any other purpose and sought justification of this transaction.

7. The Secretary, I.T and Telecomm defended the decision of said transaction by referring to section 2 (a) of Article 78 of the constitution, wherein it is stated that, **“All other moneys received by or on the behalf of the Federal Government shall be credited to the Public Account of the Federation”**. He apprised the Committee that the USF Rules 2006 were in conflict with the Article 78 of the Constitution, which necessitated the amendments in the USF Rules after the decision of Economic Coordination Committee (ECC), presided by Finance Minister Ishaq Dar. He further briefed the Committee that the amendments in USF Rules were formulated by the four member committee, comprising of Federal Minister Zahid Hamid, Minister of State for I.T and Telecommunications Anusha Rehman and Secretaries for Law and Finance.

8. The Chairman Committee expressed reservations that the transferred money could be utilized for the purposes other than the provision of access to

I.T and Telecommunications facilities in remote and rural areas. On that, the Minister of State, Anusha Rehman informed the Committee that the aim behind transferring the USF money was to ensure transparency and avoid any misappropriation. She firmly committed that the transferred money will not be utilized in any other head, other than that stated in PTA Act. In addition to that, she apprised the Committee that previously the Ministry was kept in the dark by PTA about the USF money and penalization of PTA's Member Finance for embezzlement is an indication that the money should not have been kept in a separate account.

9. While responding to a query by Senator Osman Saifullah regarding the role of USF Board of Directors while amending the USF Rules and transferring of USF money, the CEO Universal Service Fund informed the Committee that the authorities pertaining to financial matters has always been with the PTA and role of USF is limited to the administrative and functional matters. On that, Senator Mohammad Zahid Khan expressed displeasure and said that if all the financial authorities are held by the Ministry and PTA then the government should take over these so-called autonomous organizations. Moreover, he said that the amendments to USF Rule and transfer of amount has been made with the consultation of Law Ministry, it is therefore expedient to have the representatives of Law Ministry in the next Committee Meeting for justifying the move.

10. The Minister of State for I.T and Telecomm also seconded the suggestion of Senator Mohammad Zahid Khan and proposed to have a single agenda Committee Meeting on this issue. She further shared that the Ministry will comply with the decision of Supreme Court and recommendations put forth by the Committee whether to retain the amount in FCF or transfer it back to the account of USF in a scheduled bank.

11. Senator Mohsin Khan Leghari remarkeded that the Telecomm Companies might refuse to pay their annual share if this matter of serious concern is not tackled judiciously and might result into a loss to the national exchequer. Thereafter, the Committee Members unanimously decided to deliberate on this issue in the presence of representatives from Law Ministry in next Committee Meeting.

12. In response to a query by the Chairman Committee regarding the excessive delays in USF, R&D Fund and payment of outstanding dues of students enrolled in educational institutions of Pakistan, the Secretary MoIT informed the Committee that the first quarter of USF, R&D Fund and all outstanding dues have been released. The Chairman Committee directed to release the future payments in timely manner so that the students do not suffer.

13. The Committee Chair by referring to the agenda item (i), requested to brief the Committee about the measures taken for the reopening of video sharing website "You-Tube". The Chairman PTA apprised the Committee that a team has been designated with a task of identifying and blocking the sites having blasphemous and pornographic contents. In addition to that, he shared that a 24×7 Call Center have been established to register complaints for subsequent blockage of such websites and so far around 7000 websites containing blasphemous content have been blocked.

14. By referring to the resumption of You-Tube services in the rest of Islamic Countries, Saudi Arabia, Turkey and Malaysia, Senator Osman Saifullah expressed annoyance over excessive delays by the PTA and Ministry of I.T and Telecomm for setting up a filtration system. On that, the Minister of State, Anusha Rehman informed the Committee that still there are numerous such websites obstructing the reopening of You-Tube due to the fear of violent demonstrations by the public. Moreover, she said that this matter doesn't fall only in the domain of Ministry and PTA, but an Inter-Ministerial Committee has been constituted due to the sensitivity of this matter. She apprised the Committee that negotiations with the Google Inc. has also been initiated to localize Google and You-Tube services in Pakistan, enabling us to remove blasphemous contents without requesting the Google authorities.

15. The Chairman Committee remarked that the PTA and Ministry always come up with similar excuses but so far no concrete actions have been taken to permanently resolve this issue. After consultation with the Committee members it was unanimously decided to constitute a Sub-Committee to deliberate on this long-standing issue of You-Tube suspension. It was decided that Senator Osman Saif Ullah would convene the Sub-Committee, while Senator Zahid Khan and Senator Saeedul Hassan Mandokheil would serve as members. Sub Committee constituted

16. While discussing the agenda item (ii), the Chairman Committee sought details of progress made so far in paving way for 3G spectrum auction. The Secretary, I.T and Telecomm apprised the Committee that after issuance of a policy directive on spectrum auction by MoIT on 7<sup>th</sup> October, 2013, PTA published Request for Proposal (RFP) for hiring of consultants on very next day. Seven (07) consultancy firms submitted their financial and technical proposals, out of which five (05) were shortlisted on the basis of Technical Evaluation and finally “Value Partners Management Consulting Limited” was declared as the successful bidder.

17. Senator Osman Saifullah inquired if what was the reason of declaring “Value Partners Management Consulting Limited” as successful bidder which quoted \$ 1.7 million, despite of that fact that another bidder quoted \$ 0.6 million and the highest financial bid was \$ 3.7 million. On that, the Secretary MoIT shared that 80 % weightage was given to Technical Evaluation and the said consultancy firm though lying in the average of financial evaluation, was technically better than the rest of bidders. The Minister of State, Anusha Rehman informed the Committee that transparency would be ensured throughout the auction process and pledged to provide the Score Card of Technical and Financial Evaluation of consultancy firms that participated in bidding.

18. Thereafter, the Chairman Committee raised the issue of illicit use of Afghani SIMs and inquired about the measures taken by MoIT and PTA in this regard. The Chairman PTA informed the Committee that the database of Election Commission and NADRA is easily accessible by the criminals for the activation of SIMs. In addition to that smuggled phone are also a major hurdle and FBR should maintain a record of IMEI codes of imported mobile phones. Moreover, the Chairman PTA displayed the mobile phones and other devices that are used in grey trafficking.

19. Senator Mohammad Zahid Khan expressed reservations on the illicit use of Afghan SIMs in Pakistan and proposed to suspend roaming service with Afghanistan until a fool proof system is in place to counter this problem. He further added that the situation might get worst keeping in view the changing political scenario and withdrawal of foreign troops from Afghanistan. On that, the Minister of State, Anusha Rehman informed the Committee that Roaming Services are bilateral in nature and its suspension would certainly effect the relations between two countries. The Chairman Committee put forth a

suggestion of issuing duplicate SIMs to foreign nationals after recording – information through installing Biometric Systems in airports and borders.

20. Thereafter, the Chairman Committee while taking up the agenda item (iii) sought details from the Universal Service Fund (USF) about the Telecenters being established all over the country. The CEO USF apprised the Committee that in Phase-I, 500 fiber optic interconnected Telecenters are being established in the rural parts of the country in collaboration with the provinces. In response to a query by Chairman Committee regarding the division of 500 Telecenters and quota of FATA, the Secretary MoIT informed the Committee that the distribution of 500 centers among different federating units would be on the basis of NFC Formula and 7 centers are will be established in FATA. The Chairman Committee suggested for increasing the number of centers in un-served and under-developed parts of the country, which was also backed by the Minister of State.

21. While taking up the agenda (iv) pertaining to non-implementation of courts and Ministry's order for increase in the pension of PTCL retired employees, the Chairman Committee inquired about the action taken so far in this regard. The General Manager, Pakistan Telecommunications Employees Trust (PTET) apprised the Committee that the Government announced an increase of almost 40 % in FY 2010-11, whereas the PTET board approved an increase of 20 % for those retired before 1<sup>st</sup> January, 1996 and 8 % for those retiring after 1<sup>st</sup> January, 1996. In response to petitions filed, the Islamabad High Court decided in favor of pensioners (**decision dt. 21.12.11, WP.148/2011**). The PTCL and PTET Board filed Intra Court Appeal (ICA) in Islamabad High Court against the above decision on January, 2012. The matter is still pending in the court and next date of hearing is 18<sup>th</sup> December, 2013. On that the Chairman Committee said that the final decision would definitely come from the court but the Committee requests PTET to increase the pension on humanitarian grounds.

22. After detailed discussion the committee unanimously recommended the following recommendations:-

- i. A single agenda Standing Committee meeting would be held in the presence of representatives from Law Ministry to deliberate on the transfer of billions of rupees from USF account to Federal Consolidated Fund.

- ii. A Sub-Committee convened by Senator Osman Saif Ullah would look into the matter of suspension of video sharing website YouTube.
- iii. The future payments of USF and R&D Fund should be released in timely manner.
- iv. Under-developed areas of the country should be given due consideration while establishing Telecenters.
- v. The Technical and Financial Score Cards of 3G consultancy firms should be provided to committee members in the next meeting.
- vi. Illegal usage of Afghani SIMs should be curtailed by deploying a fool proof mechanism.
- vii. Pension of PTCL employees should be increased on humanitarian grounds.

23. The meeting ended with the vote of thanks to and from the chair.

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## SENATE SECRETARIATE

### MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 20-03-2014 at 11:00 am in Committee Room No.01, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

Senator Abdul Haseeb Khan	Member
Senator Hari Ram	Member
Senator Mrs. Shirala Malik	Member
Senator Mohammad Zahid Khan	Member
Minister of State for Information Technology and Telecommunications	Ex-Officio Member

3. The agenda before the Committee was as under:-

- i. Briefing about the total establishment of I.T Centers in Pakistan, with their locations, details of employees including incoming and outgoing facilities/ benefits with nature of work/ responsibilities as well as allocation of funds. Showing month-wise expenditure with income/ losses.
- ii. Briefing about installed/ pending mobile towers in Pakistan with the reasons of installation/ non-installation, mentioning the names of companies for each with their range, as yet including recommended mobile tower by HIMfor U.C Bagh Doshkel of Dir (Lower).
- iii. Details of total employees of National ICT R&D Fund, Ministry of Information Technology & Telecommunications with their office locations in Pakistan including their nature of work/ performance.
- iv. Privatization Division to brief the Committee about the outstanding amount due and liabilities and reasons for not paying the dues by Etisalat.

- v. Law Division to brief the Committee about non-inclusion of the Termination Clause in the sales agreement with Etisalat.
- vi. Details of the utilization of PSDP and other projects funds, holding of additional charge of the Project Directors by the Head of the projects and misuse of vehicles of the projects and number of vacant posts in the projects.
- vii. Total number of internees awarded internship by the Pakistan Software Board and posted in various organizations since the commencement of internship programme.
- viii. Name of firms with whom Ministry of Information Technology/ Pakistan Software Board has an agreement for training/ internship.
- ix. Name of internees with full address and contact numbers, amount paid to each internee by the Pakistan Software Board so far.
- x. The internees absorbed in private and public sectors, if available.
- xi. To discuss the TIP's function, performance, production and sales, Annual Budget allocation, income and profit, grade-wise number of employees/ officers, their pays and allowances, medical, vehicles details, expenditure on fuel and repair during the last 5 years, year-wise, reasons for decrease in production, sales and profit, if any.
- xii. Discussion on the recommendations made by the Sub-Committee of the Standing Committee on Information Technology and Telecommunications held on 09-01-2014 (Copy enclosed).
- xiii. Any other items with the permission of the Chair.

4. The meeting started with the recitation from the Holy Quran by honorable Senator Abdul Haseeb Khan. The Chairman Committee welcomed the Committee members, Minister of State for Information Technology & Telecommunications, as well as the officers of the Ministry.

5. At the outset of the meeting, in follow up to the recommendations put forth by the Sub-Committee constituted to deliberate on the reopening of YouTube services, the Chairman Committee advised the Chairman, Pakistan Telecommunication Authority (PTA) to apprise the Committee on steps taken so far in this regard.

6. The Chairman PTA informed the Committee that in compliance to the recommendations of the Sub-Committee PTA has identified a number of URLs which contained obnoxious videos, flagged the links and passed on the same to Google Inc. It was shared that the Google Inc. by acceding to the request of PTA has displayed warning message before accessing those videos flagged as obnoxious and blasphemous. The Chairman PTA was apprehensive of the presence of a large number of objectionable videos that are still accessible through proxy channels preventing the Ministry and the PTA to reopen video sharing website You Tube.

7. The Committee was further apprised that three member bench of the Supreme Court of Pakistan comprising of the then Honorable Chief Justice of Pakistan, Mr. Justice Iftikhar Muhammad Chaudhry, Mr. Justice Jawwad S. Khawaja and Mr. Justice Khilji Arif Hussain passed a judgment on 17<sup>th</sup> September, 2012 on **Constitution Petition No 104 of 2012** filed by the petitioners Mr. Muhammad Akram Sheikh, Mr. Tausif Asif and Qazi Hussain Ahmed. The Honorable Court directed the **“Chairman PTA to immediately block the offending material on U-Tube website and on any other website”**. It was informed that the decision as to keep the You-Tube services suspended or to reopen lies in the domain of Supreme Court and the Inter Ministerial Committee (IMC). The Ministry took various steps to prevent access to the copies of obnoxious and offensive movie “Innocence of Muslims” which sparked violent protests in some of the Muslim countries. The Committee was informed that a Filtration System has been deployed with help of Trans World Associates (TWA) and PTCL, but still those videos are accessible.

8. Senator Zahid Khan expressed concerns that the decision of Supreme Court pertaining to the suspension of You-Tube services was never cited by the Ministry or PTA during the last meeting of Sub-Committee which was exclusively constituted to deliberate on the issue of closure of You-Tube services in the country. He added that the U.S Appeals Court had ordered the Google Inc. to remove anti-Islam videos from You-Tube and the Ministry should reopen the You-Tube without causing any further delays in the longstanding issue.

9. The Minister of State for Information Technology and Telecommunications shared with the Committee that the U.S Appeals Court earlier in its decision of 26<sup>th</sup> February, 2014 ordered Google Inc. to remove the movie, “Innocence of Muslims” on a copy right issue, but later on modified its

decision on 28<sup>th</sup> February, 2014 by allowing Google Inc. to display the movie after censoring the Cindy Garcia's performance that was shot for another movie.

10. Senator Abdul Haseeb Khan remarked that people cannot be denied of their right of access to information and it is technically impossible to devise any such mechanism which can fully block access to those videos. He further added that the Ministry should have clarified its position before the constitution of the Sub-Committee that the authority of reopening rests with the Supreme Court and the Inter Ministerial Committee (IMC).

11. The Chairman Committee remarked that the Supreme Court has ordered to block the offending material rather than suspending the entire You-Tube services and the Committee unanimously put forth the recommendation of reopening the video-sharing website You Tube.

12. By taking up the Agenda Item (i), the Chairman Committee advised the CEO, Universal Service Fund (USF) to apprise the Committee with regard to Educational Broadband Centers (EBCs) and Community Broadband Centers (CBCs) being established to provide opportunities for I.T education and economic growth.

13. The CEO, USF informed the Committee that Educational/ Community Broadband Centers are being established in every underserved urban area having a population that exceeds 50,000 persons. It was shared that so far 1043 EBCs and 297 CBCs have been established in different regions of Punjab, Sindh and Khyber Pakhtunkhwa at places that are easily accessible.

14. The Chairman Committee expressed annoyance over neglecting the Balochistan and FATA while establishing EBCs and CBCs and also remarked that all of the 145 EBCs in the Khyber Pakhtunkhwa province have been established only in the Hazara Division which is a blatant injustice with the other parts of the province. The Chairman Committee advised to give due consideration to the neglected areas, especially FATA and Balochistan in future schemes. The Chairman Committee also advised the USF to share the details of pending/ proposed EBCs and CBCs being established in the country.

15. Thereafter, the Chairman Committee sought details of the I.T Park being constructed in Chak Shehzad. The Minister of State for I.T and Telecomm apprised the Committee that the idea of establishing I.T Park was floated in 2003, which did not materialize up till now. She further shared that recently

the World Bank has approved a soft loan of \$ 45 million with a payback period of 40 years for the construction of I.T Parks and first of its kind would be established in Chak Shehzad.

16. Senator Shilara Malik appreciated the efforts of Minister in-charge for reviving the abandoned projects of vital importance to the economy and IT industry. She put forth a suggestion of replicating similar projects in provincial capitals and FATA.

17. Taking up the Agenda Item (ii), the Chairman Committee sought details of the Telecommunications towers installed in the country and expansion of Telecommunications network to other parts of the country, especially in Dir (Lower). The CEO, USF informed the Committee that the installation of towers and site planning depends purely on technical feasibility and business plans of expansion of the particular operator. It was shared with the Committee that a few telecomm companies operating in the country have been requested but none of them expressed willingness for the installation of tower in U.C Bagh, Dir (Lower) in the current roll out plan.

18. Senator Mohammad Zahid Khan remarked that the Pakistan Telecommunications (Re-organization)(Amendment) Act, 2006 empowers the Universal Service Fund (USF) to provide access to Telecommunications services to the people in un-served, under-served, rural and remote areas, but nothing has been done for the installation of tower at Union Council Bagh Doshkhel of Lower Dir and a large population has been demanding access to Telecommunications services.

19. The Minister of State for I.T and Telecomm ensured the Committee that all necessary steps would be taken to pursue the Telecomm companies for the provision of Telecommunications services in Union Council Bagh Doshkehl, Dir (Lower).

20. The Chairman Committee also took notice of the non-release of the rent of BTS installed in a private property at Peshawar Road, Rawalpindi by the Telenor Pakistan (Pvt) Ltd. The Chairman PTA was advised to take immediate steps by initiating an inquiry against the service provider for violating the terms of agreement and redressing the grievance of the owner by persuading the Telenor Pakistan (Pvt) Ltd. for the payment of remaining dues.

21. While taking up the Agenda Item (iii), the Chairman Committee sought details of offices and the employees working in the National ICT R&D Fund. The Committee was apprised that the National ICT R&D Fund was established with the aim of transforming Pakistan's economy into a knowledge based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of Industrial and academic resources. The CEO, National ICT R&D Fund also informed the Committee about the employees working and their performance appraisal.

22. Senator Mohammad Zahid Khan expressed concerns that not a single employee has been hired from FATA. He further remarked that the hasty decisions are made while privatizing the state-owned organization without formulating concrete agreements that coerce the privatized bodies to take into consideration the neglected parts of the country while filling the vacant positions or launching development schemes.

23. Senator Hari Ram also remarked that the minorities and women folk have also been neglected.

24. It was shared with the Committee that National ICT R&D Fund fills the vacant position on open-merit basis and the job specifications are very technical, as a result the organization receives no applications from the candidates of FATA. The Minister of State for I.T and Telecomm ensured the Committee that affirmative actions would be taken in this regard in the upcoming Board meetings of the National ICT R&D Fund and Universal Service Fund (USF).

25. Thereafter, the Chairman Committee by taking up the Agenda Item (iv) and (v) sought details of the outstanding dues, reason of non-payment by Etisalat and non-inclusion of termination clause in the Sale-Purchase Agreement signed with Etisalat.

26. The Ministry of I.T and Telecomm informed the Committee that the Cabinet Committee on Privatization approved the bid (US \$ 1.96 per share) submitted by M/s Etisalat being the highest and accordingly Sale Purchase Agreement (SPA) was signed in 2005. However, Etisalat International Pakistan requested certain amendments which also included a condition of 3248 properties to be mutated in favor of PTCL. The Privatisation Commission Board agreed for modifying the agreement before CCOP and new SPA was signed on 12 March, 2006. It was shared that so far 3148 have been transferred in the name of PTCL, leaving behind 64 outstanding properties. Moreover, the

Committee was informed the Committee that negotiations has been made with the M/s Etisalat and they have expressed willingness to pay-off a large chunk of the payables in the current financial year.

27. In response to a query by Senator Abdul Haseeb Khan regarding the non-inclusion of termination clause in the SPA, the representative from Privatization Commission informed the Committee that the draft of SPA during the pre-bidding stage included the 'Termination and Arbitration Clauses', which was omitted later in the amended agreement. The committee expressed serious concerns over removing the termination clause and directed the Law Division and Privatization Commission to probe into this matter and brief the Committee in the next meeting.

28. The Chairman Committee also sought details of the PSDP projects. The Minister of State for I.T and Telecomm apprised the committee that a total of 22 projects were sent to her for extension out of which 13 were sent for inquiry when she found traces of corruption and misappropriation. These projects were mostly initiated in 2003 and 2004, the minister maintained. The Committee appreciated the unflagging efforts made by the Minister of State for I.T and Telecomm in improving the overall performance of the Ministry.

29. The rest of agenda items were deferred for the next meeting due to lengthy agenda.

30. After detailed discussion the Committee unanimously made following recommendations:-

- i. You-Tube may forthwith be reopened after fulfilling all legal/ official formalities to ensure the fundamental rights of access to information.
- ii. Balochistan, FATA and other parts of the Khyber Pakhtunkhwa should be given due consideration while establishing Educational Broadband Centers (EBCs) and Community Broadband Centers (CBCs).
- iii. I.T Park should be established in the provincial capitals and FATA.
- iv. Steps should be taken to pursue the Telecomm companies for the provision of Telecommunications services in Union Council Bagh Doshkehl, Dir (Lower).
- v. Women, minorities and the people of neglected parts of the country should be given due consideration while filling the vacant positions

in the USF, National ICT R&D Fund and other autonomous organizations of the Ministry.

- vi. Law Division and Privatization Commission should probe into the matter of non-inclusion of Termination and Arbitration clauses in the Sale Purchase Agreement (SPA) signed with the M/s Etisalat and submit the reports through Ministry of I.T and Telecomm within two (02) weeks.

31. The meeting ended with the vote of thanks to and from the chair.

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## SENATE SECRETARIATE

### MINUTES OF THE MEETING OF THE SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 10-04-2014 at 12:00 am in Committee Room No.01, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

i.	Senator Abdul Haseeb Khan	Member
ii.	Senator A. Rehman Malik	Member
iii.	Senator Hafiz Hamdullah	Member
iv.	Senator Mrs. Shirala Malik	Member
v.	Senator Syed Faisal Raza Abidi	Member
vi.	Senator Muhammad Mohsin Khan Leghari	Member
vii.	Senator Osman Saifullah Khan	Member
viii.	Senator Malik Muhammad Rafique Rajwana	Member
ix.	Senator Mohammad Zahid Khan	Member
x.	Minister of State for Information Technology and Telecommunications	Ex-Officio Member

3. The agenda before the Committee was as under:-

- i. Detail Briefing/ reasons for non-implementation of the Committee's recommendations made in its meeting held on 26<sup>th</sup> February, 2013 regarding re-instatement of Mr. Riaz Ashar Siddiue as CEO, USF who was illegally removed from the post.
- ii. Detailed Briefing regarding:-
  - a) Constitution and composition of the Committee for 3G/ 4G Auction.
  - b) Legal justification of constituting the Auction Committee that supersedes the power / authority of PTA in violation to the laws.
  - c) Legal justification of designating Minister for Finance as the Chairman of Auction Committee.

- d) Reasons of failure in appointing the member enforcement PTA.
  - e) Reasons of allowing PCTL to use 3G technology before auction.
  - f) Details of USF and APC receivables and the list of defaulters, as well as the reasons of failure in recovering the receivables from defaulters.
- iii. Status of suspension of cross border connectivity with the neighboring countries like Iran, India and Afghanistan.
  - iv. Briefing on ICH.
  - v. Provision of telecom services to the Government by private operators.
  - vi. Any other items with the permission of the Chair.

4. The meeting started with the recitation from the Holy Quran by honorable Senator Hafiz Hamdullah. The Chairman Committee welcomed the Committee members, Minister of State for Information Technology & Telecommunications, as well as the officers of the Ministry. ***(List of participants - Annexed)***

5. At the outset of the meeting, the Chairman Committee sought a follow up on recommendation put forth by the Committee in its meeting held on 26<sup>th</sup> February, 2013 regarding the reinstatement of Mr. Riaz Ashar Siddique as CEO, Universal Service Fund (CEO)

6. The Secretary Information Technology informed the Committee that decision of removing Mr. Riaz Ashar Siddique from the position of CEO, USF was taken by the previous Government and he took the office of Federal Secretary for Information Technology at later stage. However, the Committee was ensured that an inquiry would be conducted to probe into the matter whether the decision of removal was made in violation to the rules or not.

7. Senator Zahid Khan remarked that the Ministry should respond to the Committee recommendations in a timely manner and in the said case of non-compliance, Ministry should have cleared its position before the Committee.

8. The Chairman Committee advised the Ministry to submit a report within two (02) weeks to ascertain whether Mr. Riaz Ashar Siddique was removed from his position unlawfully or otherwise.

9. While taking up the Agenda Item (ii), the Chairman sought a briefing on Spectrum Action and the role of Advisory Committee for Spectrum Auction of next generation mobile networks.

10. The Minister of State for Information Technology and Telecommunications shared that an Advisory Committee, under the Chairmanship of Federal Minister for Finance was constituted with the approval of Prime Minister of Pakistan. The Committee was informed that the Advisory Committee was constituted to finalize the policy directive, which in consonance of Section 8 of the Pakistan Telecom Reorganization Act (amended 2006) is the prerogative of the Federal Government. She further apprised the Committee that the role of Advisory Committee was limited to the finalization of policy directive which was issued by MoIT on 21<sup>st</sup> February and 17<sup>th</sup> March

11. The Chairman Committee advised the Ministry to denotify the constitution of Spectrum Auction Committee to ensure transparency in the auction process.

12. The Minister of State for Information Technology agreed in principle and informed the Committee that a summary would be moved to the Prime Minister of Pakistan for the denotification and dissolution of Spectrum Auction Committee.

13. Senator Mohammad Zahid Khan was of the view that transparency could not be ensured until the authority is completed by appointing the Member (Compliance and Enforcement), PTA.

14. The Minister of State for Information Technology apprised the Committee that the Supreme Court in the case of Khawaja Muhammad Asif Vs Federation of Pakistan and other (***Petition No. 30/2013***) had directed the Federal Government to constitute a Commission to ensure transparency in the appointments of Heads of Autonomous bodies, Semi-Autonomous Bodies, Regulatory Authorities and Organizations, established by or under the control of the Federal Government. She further informed the Committee that in compliance with the Supreme Court orders, the Federal Government constituted a Commission named as Federal Commission for Selection of Heads of Public Sector Organization (FCHPSO) and an advertisement was floated in newspapers nation-wide on 14<sup>th</sup> June, 2013. It was shared that the Cabinet Division received 165 applications and the appointment of Mr. Tariq Sultan as Member (Finance) and Syed Ismail Shah as Member (Technical) came into force, however, the post of Member (Compliance and Enforcement) was re-

advertised in November, 2013 by the Cabinet Division and a renown HR Consulting Firm M/S A.F. Fruguson & Co. Karachi has scrutinized/ shortlisted the applicants.

15. Senator Syed Faisal Raza Abidi objected on assigning the additional charge of Member (Compliance and Enforcement), PTA to Mr. Zaffar-Ullah Khan, Secretary Law, Justice and Human Rights Division and remarked that a judgment of Lahore High Court bars the appointment of serving officers of bureaucracy as the head of autonomous bodies.

16. Senator Malik Muhammad Rafique Rajwana remarked that transparency has been ensured by the Ministry in the appointment of Member (Technical) and Member (Finance) and the Authority cannot be restrained from functioning due the absence of Member (Compliance and Enforcement) and inability of finding a suitable candidate for the said position. To validate his point he referred to the Section 10 of ***Pakistan Telecommunications (Re-organization)(Amendment) Act, 2006***, and read out that,

***“no act or proceeding of the authority shall be invalid by the reason only of the existence of a vacancy in, or a defect in, the constitution of the Authority”.***

17. The Chairman Committee in consultation with the rest of members constituted a Sub-Committee to be convened by Senator Mohammad Zahid Khan, whereas Senator Malik Muhammad Rafique Rajwana and Senator Syed Faisal Raza Abidi as members to hold a meeting on 16<sup>th</sup> April, 2014 to examine the legal status of the Advisory Committee for Spectrum Auction, functions of the present PTA body when the total composition is not completed and further to examine whether legally the PTA can supervise the forthcoming 3G/4G Spectrum Auction in the light of court's orders, if any. The Chairman Committee also advised that the Secretary Law and Justice should assist and give his legal opinion to the Sub-Committee. The PTA was advised not to proceed further in the auctioning process until the Sub-Committee furnishes its report on the said matter.

18. The Minister of State for Information Technology disagreed with the remarks of Chairman Committee and informed the Committee that the auction is scheduled to be held on 23<sup>rd</sup> April, 2014 and to fulfill the international commitments made by the Ministry and Government of Pakistan we have to proceed with the auction process.

19. The rest of agenda items were deferred for the next meeting.
20. After detailed discussion the Committee unanimously made following recommendations:-
- i. An inquiry should be conducted by the MoIT to probe into the matter removal of Mr. Riaz Ashar Siddique as CEO, Universal Service Fund (Fund) and report should be submitted before the next Committee meeting.
  - ii. As informed by the MoIT, the role of Spectrum Auction Committee was limited to finalization of policy directive; the said Advisory Committee may forthwith be denotified to avoid any conflict of interest in the auction process.
  - iii. In order to complete the authority, Member (Compliance and Enforcement), PTA may forthwith be appointed amongst the scrutinized/ shortlisted candidates.
  - iv. The PTA should not proceed further in the auction process of 3G/ 4G Spectrum until the Sub-Committee constituted reports back within one (01) week decides whether the authority is complete or not in the absence of Member (Compliance and Enforcement), PTA.
21. The meeting ended with the vote of thanks to and from the chair.
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## SENATE SECRETARIATE

### MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

A meeting of the Standing Committee on Information technology and Telecommunications was held on 10<sup>th</sup> November, 2014 at 11:00 am in Committee Room No.1, Parliament House, Islamabad, under the Chairmanship of honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

Senator Muhammad Zahid Khan	Member
Senator Muhammad Mohsin Khan Leghari	Member
Senator Mrs. Shirala Malik	Member
Senator Mrs. Farhat Abbas	Member
Senator Hafiz Hamdullah	Member
Senator Dr. Abdul Qayoom Soomro	Member
Minister for Information technology & Telecommunications	Ex-officio Member

3. The agenda before the Committee was as under:-

- i. Consideration on a point of Order referred by the Acting Chairman during its sitting of the Senate held on 24<sup>th</sup> January, 2012 raised by Senator Pervaiz Rashid on a Tender Notice published in a Newspaper on 24<sup>th</sup> January, 2012 by the PTA under the Caption "Invitation for Expression of Interest (EOL) with applications for auction of mobile cellular license/Spectrum (3G/4G/LTE etc.)and report.
- ii. To consider the Bill titled "the National Cyber Security Council Bill, 2014" moved by Senator Mushahid Hussain Syed in the sitting of the Senate held on 14<sup>th</sup> April, 2014.
- iii. Presentation/discussion on the report of the Sub-Committee constituted on 10<sup>th</sup> April, 2014 (if received).
- iv. Detail Briefing/reasons for non-implementation of the Committee's recommendations made in its meeting held on 26<sup>th</sup> February, 2013 regarding re-installments of Mr.Riaz Ashar Siddique as CEO, USF who was illegally removed from the post.
- v. Detailed briefing regarding :-
  - a) Constitution and composition of the committee for 3G/4G Auction.

- b) Legal justification of constituting the Auction Committee that supersedes the powers/authority of PTA in violation to the laws.
  - c) Legal justification of designating Minister for Finance as the Chairman of Auction Committee.
  - d) Reasons of failure in appointing the member enforcement PTA.
  - e) Reasons of allowing PTCL to use 3G technology before auction.
  - f) Detail of USF and APC receivables and the list of defaulters, as well as the reasons of failure in recovering the recovering the receivables from the defaulters.
- vi. Status of suspension of cross boarder connectivity with the neighboring countries like Iran, India and Afghanistan.
  - vii. Briefing on ICH.
  - viii. Provision of telecom services to the Government by private operators.
  - ix. Any other item with the permission of the Chair.

4. The meeting started with recitation from the Holy Quran. The Chairman Committee welcomed the members, Minister of State for Information Technology & Telecommunications. Taking up agenda item No. 1 the Committee showed its displeasure over the absence of Senator Pervaiz Rashid, Minister for Information, Broadcasting and National Heritage as the point of order related to publishing of a tender notice in newspapers on 24<sup>th</sup> January, 2012 by the PTA under the caption “Invitation for Expression of Interest (EoI) with applications for Auction of Mobile Cellular License/Spectrum” against national interest. Senator Zahid Khan remarked that when any matter is referred to the Committee from the House then proper procedure must be followed to dispose of the matter or its withdrawal. He further remarked that Senator Pervaiz Rashid must present himself before the Committee in order to convince the Committee on withdrawing the matter. Senator Muhammad Mohsin Khan Leghari and other Senators endorsed the remark of Senator Zahid Khan. Minister for Information Technology and Telecommunications shared the news with the Committee that Pakistan won the election of International Telecommunications Union which is supreme agency of United Nations Pakistan is now recognized in international community as the country having direction /manifesto in the field of information technology and Telecommunications. The Committee congratulated the Ministry/PTA for this great achievement and appreciated their hard work.

5. While discussing the issue Minister for Information technology and Telecommunications drew the attention of the Committee that field of IT is innovative and emerging, all the issues must be addressed immediately because technology is changing very rapidly. The point of order raised by Mr. Pervaiz Rashid is delayed two and half years and as such the matter lost its worth. The Secretary Committee informed the Committee that the due to disposing the pending business and several

postponements of the meetings the issue is delayed for two and half years. Although, the matter was referred from the House on 24 January, 2012.

6. Secretary Ministry of Information Technology & Telecommunications apprised the Committee that National Cyber Security Bill moved by Senator Mushahid Hussain Syed had been examined in light of the Constitution of Islamic Republic of Pakistan, relevant laws and the international best practices on the subject. Some of its clauses were contradicting the law. Ministry had given its general comments on the bill and an alternative "Prevention of Electronic Crime Bill" is drafted and is under the consideration of the Cabinet and will be soon introduced in the Parliament. The composition of National Cyber Security Bill being proposed is impracticable and may not be able to adequately address the issue of cyber security. Furthermore the institutional mechanism proposed in the bill appears to be in contradiction with the trichotomy of the organs of the State given in the Constitution. Pertinently, under Article 90 of the Constitution all executive functions are to be performed by the Federal Government. Chairpersons of the Standing Committees of the Parliament cannot be assigned any Executive functions in relation to the affairs of the Federation. The bill also falls short in addressing the key problems linked with cyber security like personal data protection and security from unauthorized interceptions. The bill does not lay down standards that can provide legal binding obligations that are to be followed by different organizations. Furthermore, Cyber Security is the main issue in the bill, however no definition of cyber security has been given in the bill instead Cyber Security Council is empowered to define the term.

7. Minister of State apprised the Committee that the scope of the proposed National Cyber Security Bill is limited and for this purpose an alternative bill is drafted as Information Technology is an emerging field and Pakistan must provide broader law in order to prevent Cyber Crime in the country.

8. Senator Zahid Khan observed that the Ministry should have presented its objectives concerning National Security Council Bill 2014 and given suggestions while presenting the alternative Bill so that both the Bills could have been compared and scrutinized, and the decisions of the Committee would have been then forwarded to the House.

9. Senator Dr. Abdul Qayoom Soomro suggested that an effective mechanism along with punishments may be defined in order to control Cyber crime in Pakistan.

10. Minister of State pointed out that the matter would be discussed effectively if Senator Mushahid Hussain Syed would be present in the next meeting.

11. The Committee was informed that PTA has successfully concluded the auction of spectrum for next generation mobile services on 23<sup>rd</sup> April, 2014 and none of the companies that included in the auction had any outstanding dues. Similarly, no

subsidiary organization of the Government of Pakistan participated in the bidding process. Ministry received the recommendations of the Committee after the completion of the auction, but a permanent member PTA has been appointed by the Government of Pakistan. The Committee showed its displeasure over the late appointment of the permanent member.

12. Senator Zahid Khan commented that the Sub Committee is also an extension of the main Committee. If the Sub Committee sends recommendations to the Ministry then it should provide a reply to the Committee within two months, otherwise the recommendations will become binding decisions on the Ministry, according to the Rule 195(3) of the Rules of Procedure and Conduct of Business in the Senate, 2012.

13. Responding to the query of Senator Zahid Khan regarding the reinstatement of Raiz Asher Siddiqui as CEO USF, the Secretary apprised the Committee that the services of Ex-CEO were terminated by following all rules and procedure prescribed in Clause 21 of USF Rules 2006 and Section 202 of Companies Ordinance 1984 which states that :-

*“the directors of a company by resolution passed by not less than three-fourth of the total number of directors for the time being, or the company by a special resolution, may remove a chief executive before the expiration of his term of office notwithstanding anything contained in the articles or in any agreement between the company and such Chief Executive”.*

14. Secondly, in the meeting of USF HRGC held on 2<sup>nd</sup> November, 2012 it was observed that Mr. Riaz Asher Siddiqui could not discharge his duties and his performance was below expectation. Thus it was unanimously recommended by HRGC that Mr. Asher should be removed from the office of CEO, USF. All members of the Board signed the resolution. Similarly Apex Court dismissed his writ petition by saying that “the petitioner was a contract employee and his services were terminated by the Board of Directors of USF and the Honorable Supreme Court has not granted any relief against his termination.

15. Senator Zahid Khan remarked that the verification of signature in the resolution must be done, for that purpose presence of the members of the Ex-board and Secretary of the current board must be ensured in the next meeting. The Committee member objected that board has no authority to reject the Committee recommendations.

16. The Secretary of the Ministry stated that the Board of USF has the right to consider appointment, not the Ministry. As USF is private company having its own

Board, Government has no right to interfere in the appointments and terminations of officials.

17. Senator Hafiz Hamdullah was of the opinion that there was no use of establishing a Sub Committee if its recommendations held no value .If the recommendations are rejected, then reasons should be provided for the rejection.

18. The Committee was informed that advisory Committee for Spectrum Auction for next generation mobile network was constituted with the approval of the Prime Minister. The auction was carried out by PTA in accordance with the provisions of the Pakistan Telecommunications Reorganization Act, 2006, therefore, there has been no violation of law in the instant case. PTCL was issued license on 15<sup>th</sup> April, 1997 and further modified on 13<sup>th</sup> June, 2005 under de-regulation policy issued by Government of Pakistan. The licence issued under the said policy is technology neutral and Telecommunications services can be provided within the scope of the licence.

19. The Chairman of the Committee observed that we should focus more on Pakistan's benefit whether the suggestions are provided by the Government or the Opposition.

20. Ministry also provided the list of defaulters of USF. The Committee was informed that the reason for the non-recovery of APC for USF receivables amount is due to the fact that LDI operators have challenged PTA's determinations and even the APC regime in different Courts of law and obtained stay orders from the Courts against PTA's determinations and orders issued for collection of dues.

The Secretary informed the Committee that ICH policy has been formulated to increase the Government's revenues and to control Grey trafficking. However, the policy did not achieve its objectives as it led to anticompetitive practices and increase in Grey trafficking. The Competition Commission of Pakistan declared the ICH agreement to be noncompetitive and violating the Competition Act, 2010. So Ministry of Information Technology and Telecommunications on the recommendation of PTA, has issued a policy directive on 17<sup>th</sup> June, 2014 to discontinue the ICH regime. However, LDI operators have taken various stay orders from SHC against the directives of 17<sup>th</sup> June, 2014 and currently the matter is subjudice.

21. The Committee was apprised that in order to determine policy for cross border connectivity with the neighboring countries like Iran ,India and Afghanistan, Ministry of Information Technology is at an advanced stage in terms of reviewing telecom sector policies and the matter of cross border links has been duly addressed after getting recommendations of PTA. The draft of the new policy will be forwarded to the Cabinet by the end of November, 2014.

22. After detailed discussion the Committee unanimously made following recommendations:-

- i. Presence of Senator Pervaiz Rashid, Minister for Information, Broadcasting and National Heritage in the next Committee meeting may be ensured.
- ii. The Ministry of Information technology and Telecommunications may provide the draft copy bill of “Prevention of Electronic Crime Bill” in the next meeting.
- iii. The Ministry of Information and Telecommunications may ensure the presence of EX-board members of USF and the Secretary of the current board.
- iv. The Ministry may provide a copy of agreement of PTCL privatization to the members of the Committee.

23. The meeting ended with the vote of thanks to and from the Chair.

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## SENATE SECRETARIAT

### MINUTES OF THE MEETING OF SENATE STANDING COMMITTEE ON INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

A meeting of the Standing Committee on Information Technology and Telecommunications was held on 14<sup>th</sup> January, 2015 at 2:00 pm in Committee Room No.04, Parliament House, Islamabad, under the chairmanship of Honorable Senator Muhammad Idress Khan Safi.

2. The following members of the Committee attended the meeting:-

i.	Senator Mrs. Farhat Abbas	Member
ii.	Senator Muhammad Mohsin Khan Leghari	Member
iii.	Senator Osman Saifullah Khan	Member
iv.	Senator Mohammad Zahid Khan	Member
v.	Senator Hafiz Hamdullah	Member
vi.	Senator Dr. Abdul Qayoom Soomro	Member
vii.	Minister of State for Information Technology and Telecommunications	Ex-officio Member
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viii.	Senator Mushahid Hussain Sayed	Mover (agenda item -II)
ix.	Senator Karim Ahmad Khawaja	Mover (agenda item -III)
x.	Senator Pervaiz Rashid	Mover (agenda item -VI)
xi.	Senator Haji Muhammad Adeel	Special Invitee

3. The agenda before the Committee was as under:-

- i. Implementation status on recommendations made by the Standing Committee during its meeting held on 10<sup>th</sup> November, 2014.
- ii. To consider the Bill titled **“the National Cyber Security Council Bill, 2014”**, moved by Senator Mushahid Hussain Sayed in the sitting of the Senate held on 14<sup>th</sup> April, 2014.
- iii. To consider the Bill titled **“the Protection of Cyber Crimes Bill, 2014”** moved by Senator Karim Ahmad Khawaja in the sitting of the Senate held on 12<sup>th</sup> May, 2014.
- iv. To discuss status and planning for auction of 3G and 4G licenses in Azad Jamu & Kashmir by PTA.
- v. To discuss the use of SIMs in terrorist activities and failure of Cellular Companies/ PTA in blocking the illegal SIMs.
- vi. Consideration on a Point of Order referred by the Acting Chairman during its sitting of the Senate held on 24<sup>th</sup> January, 2012 by the PTA under the caption “Invitation for Expression of Interest (EoI) with applications for auction of mobile cellular license/ spectrum (3G/4G/LTE etc.)” and report.

vii. Any other item with the permission of Chair.

4. The meeting was started with the recitation of verses from Quran by Senator Muhammad Mohsin Khan Leghari. The Chairman Committee welcomed the Committee members, Special Invitees, as well as the other participants from Ministry of Information Technology & Telecommunications, Pakistan Telecommunication Authority (PTA) and other attached departments.

5. At the outset of meeting, the Chairman Committee tabled agenda item (vi) on the top by acceding to the request of Senator Pervaiz Rashid, the Mover of said agenda item, due to his official engagements.

6. Senator Pervaiz Rashid remarked that he raised some queries on a Point of Order in the House during its sitting on 24<sup>th</sup> January 2012 regarding the Expression of Interest (EoI) invited by PTA for the auction of 3G/ 4G/ LTE Spectrum licenses; however, his reservations were addressed later when the entire auction process was reinitiated after acquiring the services of consultants of international repute to ensure transparency in the spectrum auction process. The Committee unanimously decided to dispose of the matter since the auction process has already been completed and concerns of Senator Pervaiz Rashid have also been addressed.

7. Senator Mohammad Zahid Khan remarked that auction process was conducted without completing the authority as the post of Member Compliance and Enforcement PTA was lying vacant at the time of auction. He shared that a Sub-Committee was also constituted assigned with a task to decide whether the authority was complete or not in the absence of Member Compliance & Enforcement and whether PTA could proceed with the auction process. He added that keeping in view the decision of Honorable Supreme Court of Pakistan the Sub-Committee put forth recommendations of completing the authority by appointing the third member of PTA before presenting the spectrums for auction.

8. The Chairman Committee advised the Secretary Information Technology and Telecommunications to brief the Committee on agenda item (i), pertaining to implementation status on recommendations made by the Committee during its meeting held on 10<sup>th</sup> November, 2014. In compliance to the

recommendation of Committee, draft copy of “Prevention of Electronic Crimes Bill, 2014” was shared with the Committee. Secretary I.T & Telecom informed that the Bill has been approved for placement before the Parliament by the Prime Minister on 3<sup>rd</sup> January 2015 under rule-27 of the Rules of Business, 1973. It was shared that in compliance to the Committee recommendations a letter was written to the CEO Universal Service Fund (USF) to contact ex-members of the USF Board and ensure their presence in the next Committee meeting. The Committee in its meeting of 10<sup>th</sup> November, 2014 also advised to provide a copy of Sale & Purchase Agreement of the privatization of PTCL to the Committee members. The Committee was informed that a request has been sent to the Privatization Division for provision of a copy thereof for onward submission to the Senate Secretariat; however the copy of the agreement has not been provided to MoIT till date.

9. The Committee expressed grave concerns on noncompliance of the Committee recommendation and failure in producing a copy of Sale & Purchase Agreement of privatization of PTCL. The Chairman Committee remarked that a copy of the agreement should have been kept in the MoIT.

10. Taking up the agenda item (ii), the Chairman Committee requested Senator Mushahid Hussain Sayed, the Mover of Bill titled **“the National Cyber Security Council Bill, 2014”** to present it before the Committee for discussion and consideration.

11. Senator Mushahid Hussain Sayed remarked that it is dire need of the hour to take up cyber security as a major issue to the national security among other nonconventional threats a country faces. He shared that the Senate Standing Committee on Defense organized a first ever Cyber Security Seminar on 8<sup>th</sup> July, 2013 at Pakistan Institute of Parliamentary Services (PIPS) in cooperation with Pakistan Information Security Association (PISA) and subsequently announced a first ever Cyber Security Task Force to minimize threats of cyber-attacks by initiating a mass awareness campaign. He added that the Committee also published a Cyber Security Manual for Journalist to familiarize them about their vulnerabilities while working online or using digital devices. He also shared that reports emanating from a cache of top secret documents leaked by ex- contractor of United States National Security Agency (NSA) says that foreign nationals and countries including China, Pakistan and Iran are on their surveillance list. In such circumstances, it is essential to have

in place cyber laws in order to counter attempts of data theft and misuse of information data. In continuation to the aforementioned efforts, the Senate Defense Committee in consultation with I.T experts drafted the bill titled, **“the National Cyber Security Council Bill, 2014”**. He said that a collective effort is required to constitute specialized institutions to counter this threat and urged the Committee to consider the bill.

12. The Secretary IT & Telecommunications appreciated the efforts of Senator Mushahid Hussain Sayed and Senate Defense Committee for their contribution for initiating a mass awareness campaign in the form of Seminar and publishing cyber security manual for journalist to mitigate the risks of cyber-attacks. He apprised the Committee that the objective of draft bills introduced by both the Hon;ble members Senator Mushahid Hussain Sayed and Senator Karim Ahmad Khwaja, are aimed at addressing the same issue for which the Government initiated a series of steps for last many years. He shared that the initial draft of the Prevention of Electronic Crimes was developed in the form of an Ordinance in 2007 and during the period from 2010 to 2012, the National Assembly’s Select Committee had numerous brainstorming sessions with the relevant stakeholders to review and finalized the bill.

13. Minister of State for Information Technology and Telecommunications shared that initial draft of the “Prevention of Electronic Crimes Ordinance, 2007” contained stringent and atrocious clauses which were excessively empowering the Federal Investigation Agency (FIA) at the cost of consumer rights. She shared that the Special Committee constituted to review draft bill held several meetings for 1½ years.

14. The Committee was informed that the copies of the draft bill were forwarded to the regulatory and law enforcement agencies for comments and meetings with key stakeholders including Ministry of Interior, Ministry of Law, Justice and Human Rights, PTA, FIA, Inter Services Intelligence (ISI) and ITU constantans were also held under the Chairpersonship of Minister of State for Information Technology & Telecommunications to finalize the bill. It was shared that the draft bill was advertised in leading newspapers nationwide and uploaded on the official website of MoIT to seek comments of general public and get valuable insights of various segments of the society. The Minister of State for Information Technology and Telecommunications apprised the Committee that the bill titled **“the Prevention of Electronic Crimes Bill,**

**2014**” has been drafted as per Budapest Convention on Cybercrime and the Commonwealth Model of cyber laws due to the fact that this model best suits the legal environment of Pakistan, whereas a complete round of consultation would be required to build consensus of all stakeholder on the bills moved by Hon’ble Senators.

15. Taking up agenda item (iii), the Chairman Committee requested Senator Karim Ahmad Khawaja, the Mover of Bill titled, “**the Protection of Cyber Crimes Bill, 2014**” to present the bill for consideration.

16. Senator Karim Ahmad Khawaja informed the Committee that he acquired the services of I.T expert and lawyers to draft “the Protection of Cyber Crimes Bill, 2014” after an intensive study of cyber laws of five (05) different countries. He sought the consent of Committee that the bill may be discussed clause by clause so that any ambiguities in the draft may be corrected or amended.

17. Minister of State admired the efforts of Senator Karim Ahmad Khawaja for introducing the bills aimed at combating cyber-attacks; however; she remarked that the Government Bill covers all those aspects that are reflected in bill moved by him. She reiterated that time-consuming and tedious process involved in rebuilding consensus on a new bill would yield nothing but delays. She further remarked that the “ **Prevention of Electronic Crimes Bill (PEC), 2014**” has also been made a part of the National Action Plan devised after the terrible incident of 16<sup>th</sup> December, 2014 at Army Public School (APS), Peshawar where 140 students were brutally killed by terrorists. She informed the Committee that keeping in view the security situation currently prevailing in the country, it is critically important to get the draft PEC Bill considered by the Parliament at the earliest possible time. She added that the bill is right at the point of consideration and keeping in view the urgency of matter, approval of the Prime Minister was obtained to lay the bill directly before the Parliament by waiving off the requirement of prior approval of the Cabinet as prescribed in Rule 27 of the Rules of Business.

18. Senator Haji Muhammad Adeel put forth a suggestion of incorporating sections from the private member bills introduced by Senator Mushahid Hussain Sayed and Senator Karim Ahmad Khawaja in the Government Bill to acknowledge their efforts.

19. The Ministers of State for Information Technology and Telecommunications assured the Committee that the inputs of both members

would be incorporated in the draft bill prepared by Government and all reservations would be addressed to evolve consensus.

20. Senator Muhammad Mohsin Khan Leghari expressed his commitment to support bill introduced by the Government as he was of the view that the draft bill comprehensively deals the issue of cyber-attacks in all its means and forms.

21. Senator Osman Saifullah endorsed the views of Senator Muhammad Mohsin Khan Leghari and remarked that framework adopted by both the Hon'ble members might be different from that of Government Bill which is in coherence with the Common Wealth Model, it is therefore necessary to consider the bill which best suits the legal environment of Pakistan.

22. The Committee unanimously decided to constitute a Sub-Committee under the convener ship of Senator Dr. Abdul Qayoom Soomro whereas Senator Mohammad Zahid Khan and Senator Osman Saifullah Khan as members, to consider the bill titled, " the Protection of Cyber Crimes Bill, 2014" moved by Senator Karim Ahmad Khawaja.

23. The Committee was also briefed on agenda item (iv) pertaining to the status and planning of 3G/ 4G licenses in Azad Jammu & Kashmir by PTA. The Committee was informed that Federal Government has held several consultative meetings, last of which held on 22<sup>nd</sup> December 2014, to ascertain the market requirements of Gilgilt-Baltistan and Azad Jammu & Kashmir for the provision of 3G/4G services.

24. Senator Osman Saifullah Khan remarked that there have been reports of cross border spillover of cellular services, an issue that requires serious steps to curb misuse of cellular services by criminal and terrorist groups hiding out in bordering areas.

25. Senator Dr. Abdul Qayoom Soomro inquired Chairman PTA about the guidelines issued to cellular companies for issuance of Subscriber Identity Modules (SIMs) through Biometric Verification System (BVS).

26. The Chairman PTA apprised the Committee that a policy directive was issued to all cellular companies to deploy Biometric Verification System from 1<sup>st</sup> August 2014 onward for issuance SIMs to mobile users. The Committee was also informed that around 31.8 million mobile SIMs have been brought under Biometric Verification, whereas the Federal Government has also issued directives to cellular companies to re-verify the SIMs issued before deployment of BVS within 90 days. It was shared that mobile companies have procured 70,000 bio metric machines for verification process that would be completed with the help of NADRA.

27. The Chairman Committee advised to protect consumer rights in the verification process and it should be ensured that unverified SIMs should not

work at any cost. The Committee also put forth a recommendation of introducing mobile BVS to facilitate consumers in getting their SIMs verified.

28. After detailed discussion the committee unanimously made following recommendations that:-

- i. MoIT may incorporate the valuable insights of Senator Mushahid Hussain Sayed and Senator Karim Ahmad Khawaja in the Government Bill titled, "*the Prevention of Electronic Crimes Bill, 2014*".
- ii. MoIT should a keep a copy of Sale & Purchase Agreement of PTCL by writing to Privation Division and a copy may also be provided to the Committee.
- iii. PTA should introduce mobile Biometric Verification System to facilitate consumers in getting their SIMs verified and unverified SIMs may forthwith be blocked as soon as the verification process is completed.
- iv. PTA should take serious steps to control cross border spillover of cellular services so that communication means of criminal and terrorist groups hiding out in bordering areas may be terminated.
- v. PTA should expedite the process for provision of 3G/4G services in Gilgilt-Baltistan and Azad Jammu & Kashmir.

29. The meeting ended with the vote of thanks to and from the chair.

- sd -

- sd -

**(MUHAMMAD HASSAN KHAN)**  
AS/SECRETARY COMMITTEE

**(SENATOR MUHAMMAD IDREES KHAN SAFI)**  
CHAIRMAN  
STANDING COMMITTEE ON INFORMATION  
TECHNOLOGY & TELECOMMUNICATIONS