



## **RULING OF THE CHAIR**

### **PLACEMENT OF REGULATORY AUTHORITIES UNDER THE LINE MINISTRIES**

This Ruling arises from the following amongst other facts and grounds:-

That on 19<sup>th</sup> December, 2016, vide Memorandum No. 7-2/2016-Min-I, the Prime Minister transferred the administrative control of the following Regulatory Authorities from Cabinet Division to their respective line Ministries:-

- (a) National Electric Power Regulatory Authority
  - (b) Pakistan Telecommunication Authority
  - (c) Frequency Allocation Board
  - (d) Oil and Gas Regulatory Authority
  - (e) Public Procurement Regulatory Authority
- (i) The said transfer was reported by the national media on 20<sup>th</sup> December, 2016.
- (ii) Taking note of this executive step, in the Senate sitting held on 20<sup>th</sup> December, 2016 (257<sup>th</sup> Session), I asked the Leader of the House to call upon the Minister In-charge of Cabinet Division, to make a statement on the floor explaining the circumstances due to which the Government transferred the administrative control of five Regulatory Authorities to their line Ministries. On the proposal of the Leader of the House, it was decided that instead of the Minister In-charge of Cabinet Division, Minister for Law and Justice may make such a statement.



- (iii) That during the Senate sitting held on 21<sup>st</sup> December, 2016 (257<sup>th</sup> Session), the Minister for Law and Justice made a statement which is reproduced as under:

*“Sir, with your permission, let me first read out the notification. In fact it’s a memorandum dated the 19th December, 2016. The memorandum says in terms of Rule 33 of the Rules of Business 1973, the Prime Minister has been pleased to transfer administrative control of the following regulatory authorities from Cabinet Division to the Divisions mentioned below against each name:- 1. Electric Power Regulatory Authority to the Water and Power Division. 2. Pakistan Telecommunication Authority to the Information Technology and Telecom Division. 3. The Frequency Allocation Board also to the Information Technology and Telecom Division. 4. Oil and Gas Regulatory Authority to the Petroleum and Natural Resources Division. 5. Public Procurement Regulatory Authority to Finance Division.*

*First is National Electric Power Regulatory Authority, to the Water and Power Division. Pakistan Telecommunication Authority, to the Information Technology and Telecom Division. The Frequency Allocation Board, also to the Information Technology and Telecom Division. Oil and Gas Regulatory Authority, to the Petroleum and Natural Resources Division and the Public Procurement Regulatory Authority, to the Finance Division. Necessary amendments in the Rules of Business 1973 will be made accordingly. This is from the Cabinet Division. Sir, the basic point here that I would like to make which will clear the history of these Regulatory Bodies that I will now proceed to explain that this is nothing out of the ordinary. This has been happening time and again and it is happening since the Regulatory Authorities were first set up. Let me take each one of these authorities Sir, in so far as the Pakistan Telecommunication Authority (PTA) is concerned, this was initially with the I.T. and Telecom on the 27th September, 2000, and then it was with the Ministry of Science and Technology and on the 15th October, 2002 it was shifted by orders of then Chief Executive which I will read out, it was shifted to the Cabinet Division and now under the notification that I have issued has been shifted to the Information Technology and Telecom Division. Sir, that notification dated the 15th October, 2002 reads as follows; The reference correspondence resting on so and so, “the Competent Authority has directed for transfer of Pakistan Telecommunication Authority from the administrative control of Ministry of Science and Technology to the Cabinet Division with immediate effect. Cabinet Division is requested to please take further necessary action accordingly and issue necessary instructions today under intimation to the secretariat”. This is in 2002, the transfer from Ministry of Science and Technology to the Cabinet Division. If you take the case of National Electric Power Regulatory Authority (NEPRA) set up by an Ordinance in 1995, it was initially with the Water and Power Division and when the Act was passed in 1997, in December 1998, administrative control was transferred to the Ministry of Law and Justice and then a note was put that the functions of NEPRA, in fact the summary was put up by the Water and Power Division that the functions of NEPRA justify a closer relationship with the Ministry of Water and Power rather than with Law and Justice Division. That was not approved. Instead it was with the*

