



Reliance Jio

Infocomm Limited

RJIL/TRAI/2016-17/341

4th August 2016

To,

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Secretary,
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi – 110002

Subject: Denial of Interconnection and augmentation of POIs

Sir,

1. This is further to RJIL's letter no. RJIL/TRAI/2016-17/230 dated 14th July 2016 (co enclosed as **Annexure-I**) on the above subject, wherein it has been submitted that R is deploying the largest integrated IP-based network which is planned with an initial capacity to support over 200 million subscribers and that RJIL expect over 100 million subscribers in the first year post commercial launch. This combined with the initial demand for services would result in upwards of 25 million subscribers coming on network within the first quarter post commercial launch.
2. It was further submitted that in order to provide seamless connectivity to the target subscribers, RJIL will require sufficient interconnect capacity for inter-operator traffic at the Points of Interconnection ("POIs"). The POIs have been established through protracted follow-ups with the leading service providers, however the E1s allocated at these POIs are grossly inadequate in capacity when compared with the projections by RJIL.
3. RJIL has carried out an exercise to forecast the E1 requirements on the commercial launch of services based on the assumptions given in the enclosed letter. This forecast is reproduced as below:

Sr. No	Operator	Projected E1s for Commercial Launch of Services	
		Access	NLD
1	Airtel	4,252	994
2	Vodafone	3,175	784
3	Idea	2,586	695
4	Aircel	1,780	353
5	Tata	934	242
	Total	12,727	3,068

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"Formerly, Infotel Broadband Services Limited" CIN : U72900MH2007PLC234712

The detailed calculations for the E1s requirement on the basis of Busy Hour Traffic, Outgoing Attempt, Overflow count etc. has been shared with the Authority vide our letter no RJIL/TRAI/2016-17/230 dated 14.07.2016. This has also been indicated well in advance to all operators as firm demand.

4. The Interconnection regime as laid down by TRAI regulations foresees a possibility of POI capacity augmentation based on the forecast by one of the two interconnecting operators. RJIL has already shared firm demand with all operators vide its letters dated 21.06.2016 and expressed its willingness to pay all demand notes issues by operators for augmentation. As a follow-up of the same, RJIL has started sharing daily details of call failure due to congestion with all operators. However, these operators are denying the augmentation of existing POIs based on the RJIL forecast and firm demand on one pretext or other. After lot of follow up and persuasion, Airtel and Idea have released few E1s but they are too meagre to cater to even the current level of traffic which is only of few users.
5. RJIL has also estimatec additional number of E1s required from the 5 operators to remove the congestion for existing users based on traffic report of 25/07/2016. A summary of the existing E1s as on 25/07/2016 and operator wise additional E1s requirement to remove congestion for existing users is given as below:

Sr. No	Operator	Existing E1s as on 25/07/2016		Additional Required E1s to remove congestion for existing users	
		Access	NLD	Access	NLD
1	Airtel	128	52	1,115	348
2	Vodafone	195	86	753	258
3	Idea	290	108	420	152
4	Aircel	376	146	18	11
5	Tata	240	100	31	34
Total		1,229	492	2,337	803

6. It is submitted that the Authority may kindly direct to these service providers to immediately provide above mentioned additional E1s required by RJIL to remove current congestions at inter-operator POIs which is severely hampering the ongoing test trial of RJIL's services.
7. It is further submitted that, wilful denial and delay in provision of interconnection capacities by the incumbent operators is being supported by various unreasonable grounds including the coercive and one-sided clauses in the Interconnect Agreement, which is based upon the provisions of Telecommunication Interconnection (Reference Interconnect Offer) Regulation, 2002. The incumbent operators virtually force all the new entrants to sign Interconnect Agreements on the broad guidelines prescribed in the above referred Regulation. Some of the relevant clauses of the Telecommunication Interconnection(RIO) Regulation,2002 are reproduced below:



- (i) **Initial Demand:** Provisions relating to initial Demand are specified in clause 3.1 of 'The Telecommunication Interconnection (Reference Interconnect Offer) Regulation, 2002 (2 of 2002) dated 12.07.2002'

3.1 Initial Demand

3.1.1 *The party seeking Interconnection shall provide relevant information normally 6 months in advance on the location of POI, estimated traffic in Erlangs, BHCA, type of signaling, and any other technical information required to facilitate planning.*

A formal demand in writing indicating the number of ports and other facilities required, and the time schedule, shall be separately placed on the interconnection provider.

3.1.2 *The Interconnection provider shall intimate within a period of 30 days from the date of receipt of such formal demand, either the acceptance or an alternative proposal for meeting this demand fully or partially as well as the approximate dates for meeting the demand. He shall also issue the relevant demand notes for the accepted part of the demand within 30 days of receipt of the formal demand.*

In case no response is made within 30 days, the formal demand will be treated as accepted and interconnection seeker shall be free to deposit the prescribed amount for the required number of ports. The date of such deposit shall be treated as the date of "firm demand". Such accepted demand shall be met within 6 months of such deposit.

However, Interconnection with a minimum number of required E1 ports as ascertained by the interconnection provider, required for the launch of the service, shall be provided within 90 days of payment of the demand note, unless found to be technically non feasible. Subsequent increase of interconnection circuits should be based on actual traffic flow and growth pattern for a grade of service (GOS) of 0.5%.

- (ii) **Augmentation:** Regarding the Augmentation, the Draft Agreement Annexed with RIO regulations provides that:

3.4 Augmentation

3.4.1 *Traffic measurements shall be taken by both the Parties during agreed route busy hours for seven days, six months after commencement of service and every six months thereafter with a view to determine further capacity requirements.*

3.4.2 *Augmentation for additional capacity for the next 12 months shall also be initiated by either Party on the basis of such traffic observation.*

8. **TRAI's Direction for time frame of Interconnection:** The provisions of the above referred regulations served little purpose and the incumbents exploited these provisions to restrict competition and delay launch of their services. TRAI, thereafter, issued a Direction dated 07.06.2005 vide which it directed all the service providers to provide Interconnection on the request of the interconnection seeker within 90 days of the applicable payments made by the interconnection seeker. This direction also



does not serve much purpose as the incumbent operators do not issue the demand notes to the interconnection seekers so they cannot make applicable payments.

9. **It is pertinent to mention here that even after 90 days, the required number of E1s have not been provided by these incumbent operators. The details of pending E1s for more than 90 days with these service providers are attached as Annexure-II.**
10. Sir, the prevailing interconnection framework which, inter-alia, includes the time period of providing interconnection for new POIs and augmentation was developed years before in 2001-2002 when BSNL, a PSU with legacy network was the main provider of interconnection. At that time, PSTN Fixed networks was predominant and the capacity of the exchanges was limited. Their expansion was time consuming and involved huge cost. While defining time period for provisioning of POIs and augmentation of POIs, inherent delays in the processes of the incumbent PSUs to procure and install equipment for expansion of exchange capacities of BSNL and MTNL were the main issues under consideration of the Authority which is no more valid as on date. **At present, fixed network share in the telecom market is insignificant. In the initial years, BSNL was the sole provider of interconnection whereas as on date all other TSPs are provider of interconnection and RJIL is the only seeker who is yet to launch its services. Further, the costs of equipment has significantly come down and there is no capacity constraint in the new technology switches deployed by various TSPs. Still, these incumbent mobile operators are following the same old framework to deny and delay provision of interconnection with a singular motive of restricting competition which is completely unjustifiable and requires urgent intervention by the Authority.**
11. One of the arguments provided by these operators is that capacity can be enhanced when the traffic picks up. However, this defeats the whole purpose of RJIL forecast and firm demand so that the capacities be augmented before the traffic increases to avoid consumer inconvenience. As mentioned above, we are sharing the alarming levels of POI congestion and call overflow details on daily basis with these operators, still they refuse to accept the gravity of the situation and refuse to issue demand notes for augmenting POIs as per RJIL projections. Given that it is possible to estimate the potential traffic, there appears to be no rationale for delaying augmentation of POI capacities.
12. Sir, in order to launch QoS is necessary. Today majority of calls are failing on network due to POI congestion. In absence of adequate POI capacity, RJIL is forced to delay the launch of its commercial services. If the current practices of the incumbent operators to deny or delay provision/augmentation of the interconnection capacities continues, the situation would be very difficult to handle when RJIL launches its commercial services. It will cause severe congestions at POIs and affect the Quality of Services of both, RJIL as well as of other operators and will cause lot of inconvenience to the customers.
13. It is respectfully submitted that a comprehensive review of Interconnection framework may kindly be carried out by TRAI at the earliest and appropriate

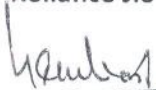


interconnection guidelines/framework must be put in place immediately so that the incumbent TSPs are legally bound to provide interconnection capacities to RJIL or any other new entrant within 7 days of the receipt of confirmed demand from them, to ensure that there is no congestion of POI and consumer get good QOS.

14. In view of above, we request the Authority to immediately intervene and direct these service providers namely Airtel, Idea, Vodafone, Aircel and Tata for the following:
- (a) To immediately provide requisite number of additional E1s as given in the Para 5 above, to remove the current congestion at POIs.
 - (b) To immediately issue the demand notes to RJIL for the firm demand mentioned in Para 3 above, which RJIL has already shared with all operators vide its letter dated 21.06.2016.
 - (c) Considering the PAN India launch of RJIL and with the estimated traffic, to complete the augmentation within 7 days of receipt of requisite charges.

Thanking You,

Yours sincerely,
For Reliance Jio Infocomm Limited,


Kapoor Singh Guliani
Authorised Signatory

Copy to:



1. Shri R. S. Sharma, Chairman, TRAI
2. Shri J.S. Deepak, Secretary, DoT
3. Shri Anil Kaushal, Member, TRAI
4. Shri U K Shrivastava, Pr. Advisor, TRAI
5. Shri Arvind Kumar, Advisor, TRAI