# CUTS' Comments on TRAI's Consultation Paper on Mobile Number Portability (No.7/2005)

At the outset, our compliments to TRAI for bringing out consultation paper on an issue, which is urgently required. Our general comments on the issues raised in the paper are given below, followed by specific comments to questions raised in the paper.

## General Comments

*Importance of Number Portability*
In most service areas in India, subscribers have a choice of operators, however, the subscriber's inability to retain her/his telephone number when changing operators is an obstacle to competition. The introduction of number portability will overcome this barrier to competition and choice. It is a consumer-friendly measure that is likely to lead to better service quality for everyone.

Presently, service providers make all efforts to woo customers by devising various tariff plans. However, the real trouble for a customer begins when s/he opts for a plan and faces the indifferent attitude of service providers in providing quality service including billing problems. This concern exists for all service providers and is not exclusive to anyone. One evidence of this is the comments/complaints received in a discussion forum recently organised by Rediff.com on the subject, which can be accessed at:
http://mboard.rediff.com/board/board.php?boardid=money2005aug25msg

Under the circumstances, number portability will allow subscribers the choice to change their service provider while retaining their old telephone number. Portability would definitely benefit subscribers and increase the level of competition between service providers. This is an important step that would provide ample benefits to customers of telecom services.

*Competition in the Mobile Segment – is it sufficient?*
Mobile phone subscriber base in India has grown phenomenally in recent years. Competition between mobile service providers is also intense. However, the quality of service has taken a beating too. In the absence of number portability, consumers find it difficult to switch over to a service provider providing relatively better services. Therefore, full benefits of competition in mobile services are not always passed on to consumers. Hopefully, number portability and the resultant pressure on the service provider to offer quality service or run the risk of losing the consumer, would improve quality of service and provide effective choice to consumers.

*Number Portability in Fixed Services – is it required?*
In the context of fixed number portability (FNP), the paper argues for postponing the consultation process on FNP because it is too complicated and complex to introduce. This is not the right approach. The paper mentions about the huge difference in the growth in fixed-line subscribers served by private operators (116.6%) as against state-owned incumbents (1.5%). Given the huge potential for the growth of private operators, number portability in fixed line services is urgently

required. This would provide customers a choice to move out from the shackles of state-owned incumbents and get rid of their poor service quality. The choice should include WLL(F) services, as most of the growth in fixed services is concentrated in this segment.

*Number Portability – within service area or across India*
With respect to implementation, number portability should be implemented directly across the country. Progressive implementation will add to confusion, will benefit one set of consumers while other consumers will continue to suffer from indifferent behaviour of service providers, and under the Indian political-economy scenario the phased implementation may never end.

Phased implementation is not conducive to the suggestions that are coming from the policy circles: one-India call rate, Unified Licensing Regime, etc.

In the context of phased implementation, the paper points out that this will result in technical implementation that would be less efficient than a national implementation. This would add to consumer woes and lead to further chaos. Since the main objective of number portability is to provide choice to consumers and ensure survival of efficient operators, phased implementation will produce results in direct conflict with this objective. Hence, national implementation is strongly desired.

On location portability, the paper mentions that the internal migration pattern in India is predominantly short distance and concludes that an overwhelming proportion of porting activity is expected to occur within the same service area. However, the paper does not analyse the pattern according to the age group. Unfortunately there is no data available on internal migration by age group and on usage of mobile phones by age group. In the absence of this data is difficult to make any inference. Anyhow, we believe that

(i) a significant portion of growth in mobile usage has come from the youth and given the proportion of population in this age group, it is expected to fuel further growth in mobile usage.
(ii) a significant portion of internal migration takes place in the young age group of say, 16 – 25 years due to educational reasons (each year thousands of students from far corners of the country come to the big metro cities for the pursuing higher education), shifts in job and hence location during early stages of getting job, etc.

Combining (i) and (ii), location portability across India (and not within a service area) is expected to play a significant role in provide choice to mobile subscribers. Hence, it should not be restricted to a service area.

*Proposed Number Portability Regime for India*
Instead of looking at the penetration of telecom services in India, it is important to consider the number of telephone subscribers, which has crossed 100 million. Number portability will benefit these 100 million customers and many more who are going to opt for telecom services in coming years.

The consultation paper has introduced the concepts of three basic types of number portability: operator, location, and service portability. In view of the various pros and

cons involved in each of the three types, the following regime is desirable in the Indian context:

- Operator portability and location portability across India for both mobile and fixed services. In case of fixed services, it is assumed that number portability will not eliminate the dialling of STD codes. Until the one-India call rate becomes a reality, use of STD codes is useful in identifying if the call is a local call or a long-distance call, as it has implications on tariffs paid. Anyhow, it should be ensured that FNP does not eliminate the dialling of STD codes, as it provides useful and additional information about the location.
- Service portability is not desirable in the Indian context irrespective of the benefits it might provide in terms of competition between all telecom operators. The decisive concern here is that it would adversely affect tariff transparency and lead to confusions about charges for different calls. As pointed in the paper, a caller would no longer be able to estimate call charges based on the format of the phone number.

*Distortions that need to be checked in implementation*

Number portability regime has the potential of bringing benefits to consumers; provided it is implemented without any distortions that may impede the passing on of effective choice to consumers. In this context, it is pertinent to point out certain distortionary practices that may emerge and nullify its benefits:

- Operators would like to charge subscribers for providing number portability. However, as one of the options suggested in the paper, TRAI should ensure that any cost incurred in providing number portability should be borne by the receiving network operator.
- With number portability, operators are likely to include a lock-in period in the contract. As a result, if the subscriber tries to carry her/his number from the existing network, it might require her/him to pay an early contract cancellation fee that can be rather high. Moreover, experience in other countries show that the network one wishes to switch to may also seek a lock-in period. Early cancellation of that will invite a fresh fee. TRAI should check the proliferation of such restrictive practices.
- Telecom operators may offer ‘locked’ mobile phones that can be used only on the network that has sold it to the subscriber. TRAI should ensure that such restrictions are not there.

## Specific Comments

### 1. What is the anticipated impact of number portability on customer satisfaction and increased competition between services and operators?

In most service areas in India, subscribers have a choice of operators, however, the subscriber's inability to retain her/his telephone number when changing operators is an obstacle to competition. The introduction of number portability will overcome this barrier to competition and choice. It is a consumer-friendly feature that is likely to lead to better service quality for everyone.

Presently, service providers make all efforts to woo customers by devising various tariff plans. However, the real trouble for a customer begins when s/he opts for a

plan and faces the indifferent attitude of service providers in providing quality service including billing problems. This concern exists for all service providers and is not exclusive to anyone. One evidence of this is the comments/complaints received in a discussion forum recently organised by Rediff.com on the subject, which can be accessed at:
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Under the circumstances, number portability will allow subscribers the choice to change their service provider while retaining their old telephone number. Portability would definitely benefit subscribers and increase the level of competition between service providers.

In case of mobile services, it is argued that there is already intense competition and consumers are getting the benefit. In support of this, the phenomenal growth in mobile subscriber base and the significant reduction in mobile tariffs are frequently quoted. However, it is not realised that the quality of service has taken a beating too. In the absence of number portability, consumers find it difficult to switch over to a service provider providing relatively better services. Therefore, full benefits of competition in mobile services are not always passed on to consumers. Hopefully, number portability and the resultant pressure on the service provider to offer quality service or run the risk of losing the consumer, would improve quality of service and provide effective choice to consumers.

**2. The following technical options have been discussed in the consultation paper. Please indicate your preference with reasons:**
**a. All-Call-Query**
**b. Query-On-Release**
**c. Onward Routing (Call Forwarding)**
**d. Call-Drop-Back**
**e. Any other solution**

**3. In the past, some countries have followed the approach of implementation of a short-term solution, with parallel planning for a long-term solution. Several other countries have opted directly for a long-term solution. The issues associated with either approach are discussed in this paper. Please give your opinion, with reasons, on the path India should adopt.**

**4. In case of a centralized database approach, who should be responsible for the setup, ownership, administration, and management of such a database? Should the administration and operation of a centralized database be assigned to a third party duly licensed by the licensor as an other service provider (OSP) on the lines of a clearing-house, or should some other approach be adopted?**

**5. How should the database updates between different operators be synchronized? Where could the central database be located?**

**6. What should be the level of centralization (metro, circle, national) for a centralized database? Should this be a permanent arrangement, or be subject to later revision?**

**7. How should NLDOs and ILDOs handle the routing of calls to support number portability?**

**8. Are the existing interconnection arrangements (such as signaling) between mobile-to-mobile, mobile-to-fixed networks sufficient to achieve number portability, or are any changes required?**

**9. Are there any technical issues in the portability of services such as SMS, data, voicemail, or fax?**

**10. What problems do you foresee with the current National Numbering Plan in implementing number portability that may necessitate the modification of the existing National Numbering Plan?**

In case of fixed number portability (FNP), it is not clear how it would affect the SDCA codes. Until the one-India call rate becomes a reality, use of STD codes is useful in identifying if the call is a local call or a long-distance call, as it has implications on tariffs paid. Anyhow, it should be ensured that FNP does not eliminate the dialling of STD codes, as it provides useful and additional information about the location.

**11. Should number portability related charges be regulated? If not, then what measures will ensure that the portability charges are not set such as to discourage portability?**

Number portability charges should definitely be regulated. In its absence, service providers, in particular mobile operators who already operate in cahoots with each other, will try all tactics to nullify the benefits of number portability. Mobile operators have already given a signal that number portability would burden mobile subscribers with high tariffs – such collusive behaviour needs to be checked by regulatory intervention.

**12. What measures will ensure tariff transparency?**

Number portability should not undermine tariff transparency. As suggested in the paper, tariff transparency can be achieved through the use of recorded announcements at the start of a call or when the caller has a terminal with a screen where the tariff or service information could be displayed.

**13. Considering that the Indian market is a growing market and number portability offers the possibility of attracting customers by an efficient operator, should it be mandated that the cost of the number portability should be absorbed by recipient network?**

This is the best measure and will negate the need to regulate the portability charges. This would be like any other cost that a business incurs to attract customers.

**14. Please share any additional information that you might have about number portability implementations in countries and jurisdictions around the world, and what we might learn from these experiences.**

Number portability regime has the potential of bringing benefits to consumers; provided it is implemented without any distortions that may impede the passing on of effective choice to consumers. In this context, it is pertinent to point out certain distortionary practices that may emerge and nullify its benefits:

- Operators would like to charge subscribers for providing number portability. However, as one of the options suggested in the paper, TRAI should ensure that any cost incurred in providing number portability should be borne by the receiving network operator.
- With number portability, operators are likely to include a lock-in period in the contract. As a result, if the subscriber tries to carry her/his number from the existing network, it might require her/him to pay an early contract cancellation fee that can be rather high. Moreover, experience in other countries show that the network one wishes to switch to may also seek a lock-in period. Early cancellation of that will invite a fresh fee. TRAI should check the proliferation of such restrictive practices.
- Telecom operators may offer 'locked' mobile phones that can be used only on the network that has sold it to the subscriber. TRAI should ensure that such restrictions are not there.

**15. Give your comments, with reasons, as to when number portability should be introduced in India?**

Considering the lack of effective choice to consumers and poor quality of service, number portability should be introduced as early as possible. This would be an effective incentive (read: whip) putting pressure on the service provider to offer quality service or run the risk of losing the consumer.

**16. Should MNP be implemented progressively by service area or directly across the nation at one time?**

At the outset, we would like to suggest that number portability should also include fixed services. In the context of fixed number portability (FNP), the paper argues for postponing the consultation process on FNP because it is too complicated and complex to introduce. This is not the right approach. The paper mentions about the huge difference in the growth in fixed-line subscribers served by private operators (116.6%) as against state-owned incumbents (1.5%). Given the huge potential for the growth of private operators, number portability in fixed line services is urgently required. This would provide customers a choice to move out from the shackles of state-owned incumbents and get rid of their poor service quality. The choice should include WLL(F) services, as most of the growth in fixed services is concentrated in this segment.

With respect to implementation, number portability should be implemented directly across the country. Progressive implementation will add to confusion, will benefit one set of consumers while other consumers will continue to suffer from indifferent behaviour of service providers, and under the Indian political-economy scenario the phased implementation process may continue forever.

Phased implementation is not conducive to the suggestions that are coming from the policy circles: one-India call rate, Unified Licensing Regime, etc.

In the context of location portability, the paper mentions that the internal migration pattern in India is predominantly short distance and concludes that an overwhelming proportion of porting activity is expected to occur with the same service area. However, the paper does not analyse the pattern according to the age group. Unfortunately there is no data available on internal migration by age group and on usage of mobile phones by age group. In the absence of this data is difficult to make any inference. Anyhow, we believe that

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- Operator portability and location portability across India for both mobile and fixed services.
- Service portability is not desirable in the Indian context irrespective of the benefits it might provide in terms of competition between all telecom operators. The decisive concern here is that it would adversely affect tariff transparency and lead to confusions about charges for different calls. As pointed in the paper, a caller would no longer be able to estimate call charges based on the format of the phone number.

**17. What will be the effect, if any, on the different aspects of implementation if phased roll-out is adopted?**

As mentioned in response to 16, number portability should be implemented directly across the nation.

In the context of phase implementation, the paper points out that it will result in technical implementation that would be less efficient than a national implementation. This would add to consumer woes and lead to further chaos. Since the main objective of number portability is to provide choice to consumers and ensure survival of efficient operators, phased implementation will produce results in direct conflict with this objective. Hence, national implementation is strongly desired.

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