



Interconnection TRAI <interconnection.trai@gmail.com>

Idea Cellular's Response to TRAI's Consultation on 'Review of the Regulatory Framework for Interconnection' dated the 21st Oct, 2016

1 message

Rahul Vatts <rahul.vatts@idea.adityabirla.com>

Mon, Dec 12, 2016 at 9:48 PM

To: Interconnection TRAI <interconnection.trai@gmail.com>

Cc: Gagandeep Bajaj <gagandeep.bajaj@idea.adityabirla.com>, Rahul Vatts <rahul.vatts@idea.adityabirla.com>

The Secretary,**Telecom Regulatory Authority of India,**

Mahanagar Doorsanchar Bhawan,

Jawahar Lal Nehru Marg (Old Minto Road),

New Delhi-110002

Kind Attention: Advisor (Broadband and Policy Analysis)**Dear Sir,**

This is with reference to the TRAI Consultation Paper on "Review of the Regulatory Framework for Interconnection" released on 21st Oct 2016.

At the outset we thank the Authority for timely query on the issues relating to Interconnection. As the Authority is aware, Interconnection is not only mutually required and beneficial, but is also essential for all operators and also mandated as part of the license conditions. Though it is always preferable that operators mutually work out their commercial and technical arrangements, however it is preferable that TRAI define certain broad principles for Interconnection and leave certain issues for bilateral discussions.

We also strongly believe that the contractual agreements for interconnection between the TSPs should be fair, equitable, meet reasonable demands of interconnect capacity and based on the principle of reciprocity with underlying recognition of the costs of interconnection and investments made by TSPs in establishing the telecom networks.

In view of the same, we have listed below the broad principles, which need to form part of the Broad Guidelines for any Interconnection, that TRAI may consider defining. Within the broad framework of these guidelines, the

TSPs can be asked to mutually negotiate their interconnect terms.

1. **Interconnect for licensed entity (having its own access network) only.** Interconnection essentially is of the networks to enable telecommunication services across the networks. As per license agreement interconnection is amongst the networks of Licensees only. A licensee with no network of its own is not eligible to enter into an interconnection agreement.

2. **Cost-oriented Interconnection terms and conditions** established in a transparent and reasonable manner and **taking into account the full cost of terminating calls and investments made by TSPs.**

3. **Meeting reasonable demands of interconnect.** The license conditions mandates that "reasonable" demands of interconnection should be met. This is essential since too often in recent past, operators tend to provide erroneous and unreasonable Interconnect capacity requests and then apply undue pressure. Reasonable estimation of capacities is thus necessary. It is suggested that Firstly the forecast for interconnect capacity should be made well in advance and secondly the capacity can be provided gradually post launch of commercial services. It has to be recognized that since there is a lead time involved in creating additional POI capacity, Provider and Seeker have the following obligations :

a. Provider has the responsibility of augmenting capacity in a manner that wherever capacity utilization exceeds beyond specified levels, capacity is augmented in the next 90 days.

b. Similarly Seeker has the responsibility of managing traffic entering the POIs at a level so that in the peak hour capacity utilization remains within 100% to ensure that quality of service is maintained. If the Provider has provided adequate POIs in the given time as per the procedure specified above, then Seeker (whose subscribers make outgoing calls) shall be responsible for any quality of service non-compliance due to POI congestion.

4. **Reciprocal Terms and Conditions of the Interconnect agreement.** We would like to submit that while some TSPs have entered into Interconnection Agreements, which are largely based on the Model RIO and contain fair and reciprocal Terms & Conditions (T&Cs); however there are some instances of non-reciprocal & unfair T&Cs of interconnection, primarily relating to PSU operators.

5. **Timely payment of settled Interconnection dues/ charges and presence of clear mandated terms in case of defaults by TSPs.** In recent past, certain operators have shut down and Interconnection related payments are left in limbo. Even TRAI has not been able to intervene at such occasions and hence adequate Regulatory mechanism to ensure that Interconnect providers are not left with financial burden needs to be put in place.

6. **Interconnection to be ensured only at the technically feasible points in the network for both the operators.**

7. **Interconnection to be provided under non-discriminatory terms and conditions.**

8. **Timely grant of Interconnection upon request, subject to technical feasibility and an IUC regime which provides for full cost compensation for termination of incoming calls.**

9. **Transparent Dispute settlement mechanism.**

The existing framework lays down various principles and elements involved in proper and effective interconnection & require the TSP to work within this framework as per commercial & service requirements. **This approach should be continued and any mandated approach should be avoided.**

In view of the above, please find enclosed herewith our detailed submission as Annexure A in response to the Authority's Consultation Paper, a hard copy of which is shortly being submitted to your office.

We earnestly believe that the Authority will give due-consideration to our comments before formalizing the Regulation.

Should you require any clarifications or further information on the positions set out in this response, please do not hesitate to contact us.

Thanking You,

For **IDEA Cellular Limited**

Rahul Vatts

Senior Vice President – Regulatory & Corporate Affairs



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Idea Response CP Interconnection - Annex A (121216).pdf

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Annexure A

Response to TRAI Consultation Paper on Review of the Regulatory Framework for Interconnection

Dated: October 21, 2016

Introduction

At the outset we thank the Authority for timely query on the issues relating to Interconnection. As the Authority is aware, Interconnection is not only mutually required and beneficial, but is also essential for all operators and also mandated as part of the license conditions. Though it is always preferable that operators mutually work out their commercial and technical arrangements, however it is preferable that TRAI define certain broad principles for Interconnection and leave certain issues for bilateral discussions.

We strongly believe that the contractual agreements for interconnection between the TSPs should be fair, equitable, meet reasonable demands of interconnect capacity and based on the principle of reciprocity with underlying recognition of the costs of interconnection and investments made by TSPs in establishing the telecom networks. In view of the same, we have listed below the broad principles, which need to form part of the Broad Guidelines for any Interconnection, that TRAI may consider defining. Within the broad framework of these guidelines, the TSPs can be asked to mutually negotiate their interconnect terms.

- 1. Interconnect for licensed entity (having its own access network) only. Interconnection essentially is of the networks to enable telecommunication services across the networks. As per license agreement interconnection is amongst the networks of Licensees only. A licensee with no network of its own is not eligible to enter into an interconnection agreement.**
- 2. Cost-oriented Interconnection terms and conditions established in a transparent and reasonable manner and taking into account the full cost of terminating calls and investments made by TSPs.**

3. **Meeting reasonable demands of interconnect.** The license conditions mandates that “reasonable” demands of interconnection should be met. This is essential since too often in recent past, operators tend to provide erroneous and unreasonable Interconnect capacity requests and then apply undue pressure. Reasonable estimation of capacities is thus necessary. It is suggested that Firstly the forecast for interconnect capacity should be made well in advance and secondly the capacity can be provided gradually post launch of commercial services. It has to be recognized that since there is a lead time involved in creating additional POI capacity, Provider and Seeker have the following obligations :
 - a. Provider has the responsibility of augmenting capacity in a manner that wherever capacity utilization exceeds beyond specified levels, capacity is augmented in the next 90 days.
 - b. Similarly Seeker has the responsibility of managing traffic entering the POIs at a level so that in the peak hour capacity utilization remains within 100% to ensure that quality of service is maintained. If the Provider has provided adequate POIs in the given time as per the procedure specified above, then Seeker (whose subscribers make outgoing calls) shall be responsible for any quality of service non-compliance due to POI congestion.
4. **Reciprocal Terms and Conditions of the Interconnect agreement.** We would like to submit that while some TSPs have entered into Interconnection Agreements, which are largely based on the Model RIO and contain fair and reciprocal Terms & Conditions (T&Cs); however there are some instances of non-reciprocal & unfair T&Cs of interconnection, primarily relating to PSU operators.
5. **Timely payment of settled Interconnection dues/ charges and presence of clear mandated terms in case of defaults by TSPs.** In recent past, certain operators have shut down and Interconnection related payments are left in limbo. Even TRAI has not been able to intervene at such occasions and hence adequate Regulatory mechanism to ensure that Interconnect providers are not left with financial burden needs to be put in place.
6. Interconnection to be ensured only at the technically feasible points in the network for both the operators.
7. Interconnection to be provided under non-discriminatory terms and conditions.

8. **Timely grant of Interconnection upon request, subject to technical feasibility and an IUC regime which provides for full cost compensation for termination of incoming calls.**
9. **Transparent Dispute settlement mechanism.**

The existing framework lays down various principles and elements involved in proper and effective interconnection & require the TSP to work within this framework as per commercial & service requirements. **This approach should be continued and any mandated approach should be avoided.**

Whilst the principles enunciated in the RIO Regulation continue to be robust and relevant, the industry has continued to face numerous challenges from state-owned players, who insist on perpetuating the non-reciprocal terms & conditions of Interconnection contrary to the RIO Regulation. Thus, enforceability of the RIO Regulation with public operators in general has been a major issue that needs to be addressed.

We now proceed to address the specific queries.

Question wise response:-

Q1: Which amongst the following is the best option to ensure fair, reasonable and non-discriminatory terms and conditions of interconnection agreement between telecom service providers (TSPs), in view of the technological, market, licensing, regulatory and legal developments in the telecommunication services sector in India since 2002?

- (i) To amend the Telecommunication Interconnection (Reference Interconnection Offer) Regulation, 2002 taking into consideration the technological, market, licensing, regulatory and legal changes since the year 2002;**
- (ii) To prescribe a Standard Interconnection Agreement, which must be entered into between interconnecting TSPs, in case they are unable to mutually agree on terms and conditions of interconnection agreement between themselves in a specified time-frame;**
- (iii) To prescribe only the broad guidelines based on fair, reasonable and non-discriminatory principles and leave the details of the interconnection agreement to be mutually decided by the interconnecting TSPs in a time-bound manner; or**
- (iv) Any other method.** Please provide justification in support of your response.

IDEA Response

Interconnection is a technical and commercial arrangement between two operators and hence ideally, operators need to understand each other's dependencies and negotiate on mutually agreeable terms. Interconnection being for mutual benefit of both Parties, must necessarily be on fair, equitable, reciprocal and mutually agreed terms and conditions. **Though it is always preferable that operators mutually work out their commercial and technical arrangements, however it is preferable that TRAI define certain broad principles for Interconnection and leave certain issues for bilateral discussions.**

As highlighted in the Introduction, we have listed below the broad principles, which need to form part of the Broad Guidelines for any Interconnection, that TRAI may consider defining. Within the broad framework of these guidelines, the TSPs can be asked to mutually negotiate their interconnect terms.

1. **Interconnect for licensed entity (having its own access network) only.** Interconnection essentially is of the networks to enable telecommunication services across the networks. As per license agreement interconnection is amongst the networks of Licensees only. A licensee with no network of its own is not eligible to enter into an interconnection agreement.
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 9. Transparent Dispute settlement mechanism.

The existing framework lays down various principles and elements involved in proper and effective interconnection & require the TSP to work within this framework as per commercial & service requirements. **This approach should be continued and any mandated approach should be avoided.**

Q2: Whether existing interconnection agreements should also be allowed to be migrated to the new framework which will come out as a result of this consultation process?

IDEA Response

It is submitted that since some of the existing Interconnection Agreements are of 2002 vintage and many changes have occurred since then and hence, Old existing Agreements should ideally be migrated to the new framework. However, while doing so the Clauses relating to Provider and Seeker status of the respective operators should be restricted to a period of 2 years from the start of the first agreement for a given LSA between the two operators. If more than 2 years have elapsed since the start of the Commercial services by the two operators, the clauses of Provider and Seeker should not be part of the new Agreement to be signed between the existing Operators.

Q3: What should be the time-frame for entering into interconnection agreement when a new TSP with a valid telecom license places a request for interconnection to an existing TSP?

IDEA Response

As already submitted, Interconnection is a relationship based on mutual understanding between two operators where operators needs to understand each other dependencies and negotiate on mutually agreeable terms. Hence, the time frame for entering into Interconnect agreement should not be mandated as many bilateral issues would require mutual discussions between the two Operators and these discussions / negotiations could at times be time consuming.

However, should the TRAI feel that the time limit needs to be mandated, then it should be **90 days** post submission/ verification and discussion on interconnect requirements has been concluded. Specifically this time-frame is necessary for entering into interconnection agreement when a new TSP with a valid telecom license (having its own network) places a request for interconnection to an existing TSP.

Q4: Which details should a new TSP furnish while placing request for entering into interconnection agreement? Please provide detailed justification in support of your response.

IDEA Response

The details that should be furnished by new TSP should include, but not limited to :

- i. DoT issued License copy for every LSA
- ii. DoT issued MSC SPC letter copy for every LSA
- iii. DoT issued MSISDN s / TFN Levels / Fixed Number Series level allocation letter for provisioning subscribers
- iv. Company Profile & market share. New entrant would not provide market share.
- v. Network Architecture with low level & high level POP details
- vi. TEC Interface approvals for all equipment to be connected for Interconnection
- vii. Projection of likely reasonable demand for Interconnect Location wise E1 capacity for 6 months post commercial launch (Locations should be given with detailed Address and LAT-LONG)
- viii. Likely Date of start of “commercial operations”.
- ix. Services proposed to be offered and proposed connectivity (with justifications) for those.
- x. Interconnecting technology, for example, TDM/IP, SMPP, ISUP, SCCP, etc.
- xi. Details of transport media such as satellite, Microwave, PDH, SDH, DWDM, ATM, etc.
- xii. KYC documents of the Seeker viz. Service Tax Certificate / PAN Card/GST Registration Certificate etc.

Q5: Should an interconnection agreement between TSPs continue to operate if an interconnecting TSP acquires a new license upon expiry of an old license? Alternatively, should fresh agreements be entered into upon specific request of either party to the interconnection?

IDEA Response

It is submitted that the Interconnect Agreement should remain valid as long as the respective Parties hold a valid license (viz. CMTS/UASL/Unified License/any other) for providing telecom services. It has been our experience both in case of quashed licences and in case of renewals that some Operators have insisted on signing a fresh Agreement offering the status of Seeker to the Operator whose license

has been renewed. The Authority will agree that such a demand from a renewal operator who has already put in 20 years of operations, is certainly unjustified.

Licenses are issued for a period of 20 years and the Interconnect Agreements are generally valid till the expiry of license for the specific LSA. We believe 20 years is a long period of time and many changes relating to technological, market, licensing, regulatory and legal developments may have happened which require changes in the agreement. Hence, fresh agreements should be entered into for the relevant LSA as and when the existing agreements expire on the expiry of license.

Further, status of Seeker & Provider should not apply to Interconnect Agreements between 2 TSPs who have already put in atleast two years of Commercial operations. In such cases, fresh agreements should be entered into for the relevant LSA as and when the existing agreements become invalid on the expiry of license of either party.

Q6: Whether it is appropriate to mandate only those TSPs who hold significant market power (SMP) in a licensed service area to publish their Reference Interconnect Offers (RIOs)? If yes, what should be the criteria for reckoning a TSP as SMP? If no, what could be the other approaches to streamline the process of interconnection in a fair, reasonable and non-discriminatory manner?

IDEA Response

At the outset, it is submitted that the concept of SMP has become outdated in the context of Indian Telecom industry and should be done away with.

The current process of Interconnection is based on Broad guidelines from RIO-2002 and mutual agreement on all the clauses between two parties. As already submitted, TRAI should only define the broad framework for Interconnection (as highlighted in Introduction) and leave the details of the interconnection agreement to be mutually decided by the interconnecting TSPs in a time-bound manner under which operators can arrive at a mutually beneficial arrangement. It is submitted that since there are many issues that require mutual discussions between the two Operators, there cannot be one RIO from the provider's side, and the same should be the subject matter of bilateral discussions only.

The Authority is also aware that in the last 15 years, there has been a paradigm shift in terms of market shares of different TSPs and contribution of different services. Thus, classifying a TSP as SMP and thereby making publishing of an RIO mandatory is no longer feasible. In particular, there is no case for treating the state-owned TSPs differently.

Q7: Whether there is a need to continue with the present concept of interconnection seeker/ interconnection provider? If yes, what should be the criteria?

IDEA Response

Idea recommends that status of Seeker & Provider should continue to exist in Interconnect Agreement for all the TSPs who are launching Telecom Services for the first time afresh in particular LSA, for the initial period of two years from the date of launch of Commercial services.

The main aspects of a Provider – Seeker relationship is that the Seeker has to bring the media for interconnect from his MSC to the Provider MSC and has to pay for the Port charges and Power and space for the equipment placed in the MSC premises of the Provider MSC. As per current agreements, the period of this relationship is 2 years. The rationale behind this relationship is that there may be some new Operators who may not be able to sustain their Operations and close down in a short time. In such cases if the existing Operator makes Capital expenditure in building out the OFC to the new Operator MSC (which could also be far away from a main town) and he closes down operation in 6-12 months, then the Capex expenditure incurred by the existing operator would go waste. This is based on the current status of many operators who launched the Operations post 2008.

However, the Seeker – Provider relationship should not be applicable for renewal of Interconnect Agreement happening due to renewal of Licenses post their expiry.

Q8: Whether there is any need to review the level of interconnection as mentioned in the Guidelines annexed to the Telecommunication Interconnection (Reference Interconnection Offer) Regulation, 2002? If yes, please suggest changes along with justification.

IDEA Response

With change in technological development and Virtual Network capabilities in NGN Based Core Equipment it is possible to manage multiple LDCA networks from single Location. This is already in place with Fixed Line operators, where large number of L2 TAXs are reduced to few ones. Considering such change it is recommended to have connectivity with FIXED line Operator at LDCA level rather than SDCA level. This will reduce the mutual infrastructure build-up costs and thus lesser dependency on Infrastructure will improve the overall quality and uptime of Network. In such situations, the interconnections for NLD Carriers should be allowed at L2 TAX (LDCA level) and No transit and carriage charges should be levied on TSPs.

Q9: In case interconnection for Inter-circle calls to fixed-line network continues to remain at Short Distance Charging Area (SDCA), should alternate level of interconnection be specified in cases of technical non-feasibility (TNF) at SDCA level?

IDEA Response

Yes, considering technical non-feasibility (TNF) at SDCA level for Operations of Fixed Line Network, alternate level of Interconnection should be provided as preferable to nearest LDCA (L2 TAX) or L1 TAX. In such cases where Fixed Line Network has technical non-feasibility (TNF) at SDCA level, there should be NO Transit Fee applicable to Interconnection Seeker.

Q10: What should be the framework to ensure timely provisioning/ augmentation of E1 ports? Please provide full framework with timelines including the following aspects:

IDEA Response

(a) Minimum number of E1 ports for start of service - **2 E1s for Access, 2 E1s for NLDO, 1 Es for 1 ILDO**

Access POI: Initially allocation of 02 E1s will be sufficient to start the testing of POI as at the initial start of POI, there is very limited Subscriber base with New Operator who is seeker of POI. Post the POI Acceptance testing by the Parties, a limited period of maximum 30 days should be provided

for further testing purposes. During this period no commercial traffic should be routed on the identified E1s. It is also important to note that specified E1s, as highlighted, would be sufficient for connectivity with the other operators.

The provider and seeker need to agree that augmentation of POIs will be based on reasonable demand given by the seeker atleast 06 months in advance. Such reasonable demand forecasted in advance and agreed by both parties (please also refer to response to Question no. 12), would only be made available post commercial launch.

The augmentation of demanded E1 ports shall be based on Traffic measurements, taken by both the Parties to determine the requisite number of E1s on the basis of average busy hour traffic (peak traffic on the route) in the last 04 weeks to maintain agreed POI Grade of Service level.

Similarly, 02 E1s for NLD POI and 01 E1 for ILD POI are sufficient to start new POI and post launch the augmentation will be done as per process of reasonable demand

- (b)** Maximum time period for issuance of demand note by the interconnection provider - After the intimation on launch of commercial services by seeker, the provider has to allocate initial requirement of E1s and further augmentation of Interconnection. These Demand Notes shall be issued within 15 days of allocation of E1s
- (c)** Maximum time period for payment for demanded E1 ports by the interconnection seeker - Seeker should pay against the demand note issued by the provider **within 15 days post issuance of Demand note by the provider.**
- (d)** Intimation of provisioning of requested E1 ports by interconnection provider - Provider should intimate the seeker about provisioning of requested E1 ports **within 30 days of Demand Note payment by seeker.**
- (e)** Space allocation for collocation of transmission equipment - Once the request is placed by one party to the other for provisioning of reasonable Space and Power supply to install Transmission POP, the other party should allocate the same within 30 days of receipt of formal request. In case on non-availability of space and power in requested location, the other party should allocate the requisite agreed space and power in alternate location within same LSA.

- (f) Maximum time period for establishment of transmission links by the interconnection seeker - The establishment of Transmission POP needs to connect to the other party's MSC Location with the laying of OFC and procurement of MUX/DEMUX. Considering the time period required to plan and lay the OFC in last mile of any route along with commissioning time for Transmission Mux, interconnection seeker needs to be given 180 days after space and power allocation by provider.
- (g) Maximum time period for acceptance testing - After the seeker has established initial POI E1s for starting interconnection or in case of offer of new POI due to change in MSC Signalling Point Code or Location of POI, acceptance testing can be initiated as per mutually agreed process for call scenario testing, CDR verification and clearance from Revenue assurance teams of either sides. The period for such testing should be a maximum of 15 Days, with the provision to carry out a repeat acceptance testing of a maximum of another 15 days in case of test failure.
- (h) Maximum time period for issuance of final commissioning letter by the interconnection provider - Once the POI Acceptance testing is completed and Approvals are received from Revenue Assurance teams of both the parties, the final commissioning letter should be issued by the interconnection provider within 10 days.
- (i) Maximum time period for start of traffic in the POI after provisioning/ augmentation of E1 ports for which payment has already been made – As regards the start of traffic in the POI after provisioning/ augmentation of E1 ports for which payment has already been made, it should be allowed to commence within 05 days of confirmation of receipt of requisite payments.

It is essential that demand for ports made by interconnection seeker is reasonable. Even the License conditions mandate reasonable demands of interconnection have to be met. Mechanism to ensure timely provisioning / augmentation for E1 pots is also given in answer to Q.12

Q11: Whether augmentation of ports be allowed at higher levels such as STM-1 in place of E1?

IDEA Response

It is submitted that during the initial phase when a new operator starts its network operations, the requirement of POI is low. Thus in the initial phase of operations, the seeker should connect on E1 basis and should not insist on a STM level handover. However, as the network of both seeker and provider matures in terms of the relationship and the existing POI exceeds 63 E1s, the additional augmentation may be done on STM1 Level subject to technical feasibility in both the operators' nodes. However, this should not be mandated and should be left to mutual agreement between the two operators based on technical feasibility.

Q12: What should be the criteria to ensure that inflated demand for ports is not made by interconnection seeker?

IDEA Response

It is essential that demand for ports made by interconnection seeker is reasonable. Even the License conditions mandate reasonable demands of interconnection have to be met.

If this is not followed, then the Provider would land up making more investment than is required and traffic may never come on those ports. The investment in creating POIs would be wasted in such a case.

The only way it can be ensured that an inflated demand for ports is not made by interconnection seeker is that once initial minimum number of POIs have been provided, augmentation of POIs is done based on actual traffic with sufficient time being allowed for increasing the ports as traffic increases. The following methodology is proposed for the same :

1. In the testing phase a service provider is primarily required to do the testing on its own network. It needs to have some POIs with other operators so that it can test connectivity with the other networks. For this purpose provision of 2 E1s by the Provider per LSA should be enough.

2. Once a service provider has decided on the date of commercial launch, it should give a 90 days notice to the Provider to provide POIs not exceeding 20 E1s per service area for larger circles and 10 E1s per LSA for smaller circles.
3. Thereafter the Provider and Seeker should monitor the traffic on each POI. Once the utilization of POIs exceeds 70% utilization in peak hour in a LSA, the Provider should initiate action to augment POI capacity for that LSA, such that the augmented capacity will result in bringing the capacity utilization to less than 70% based on the traffic for the day it exceeds 70%. Such augmentation should be achieved by the Provider within 90 days of the date when the utilization exceeds 70% on a continuing basis.
4. **It has to be recognized that since there is a lead time involved in creating additional POI capacity, Provider and Seeker have the following obligations :**
 - a. **Provider has the responsibility of augmenting capacity in a manner that wherever capacity utilization exceeds 70% in peak hour, capacity is augmented in the next 90 days so that based on that level of traffic utilization remains within 70%. If the Provider fails to augment capacity as provided above, then Provider will be responsible if congestion results in call drops above permissible levels.**
 - b. **Seeker has the responsibility of managing traffic entering the POIs at a level so that in the peak hour capacity utilization remains within 100% to ensure that quality of service is maintained. If the Provider has provided adequate POIs in the given time as per the procedure specified above, then Seeker (whose subscribers make outgoing calls) shall be responsible for any quality of service non-compliance due to POI congestion.**

Q13: In case the interconnection seeker agrees to bear the total cost of equipment required for augmentation in advance, should the interconnection provider give the requested ports irrespective of volume of traffic at POI?

IDEA Response

This question can only be addressed by looking at the interconnect regime in totality, including the method of fixation of IUC. The above question has an underlying assumption that cost of POI is the only cost incurred by the interconnection Provider and there is no other cost implication of providing a POI. This is not the case. The other relevant factors to be considered are as under –

1. **When traffic terminates on the POIs of the interconnection Provider, the Provider also has to use its entire infrastructure to carry the call on its network to the called subscriber. The spectrum is used in the same manner for an incoming call and an outgoing call. Also the recipient subscriber has to be acquired and serviced, even in a situation when the subscriber does not make a single outgoing call and only receives incoming calls. Hence, the entire spectrum and infrastructure of the Provider TSP is used for carrying a call landing on its POI to the intended subscriber.**
2. Interconnect regime assumes a generally symmetric traffic pattern between TSPs. Hence, the IUC is currently fixed at 14 paise per minute which does not reflect the full cost of managing an incoming call on the infrastructure of the Provider. Currently the full cost per minute for Idea is 37.5 paise per outgoing or incoming call minute. Hence, when there is an asymmetry of traffic where the incoming calls on Idea's network are much higher than the outgoing calls, Idea currently suffers a loss of 23.5 paise per minute.
3. Hence, the cost of equipment required for terminating a call is a miniscule portion of the total cost of terminating an incoming call. **The relative symmetry of traffic is thus an important factor and the interconnection Provider cannot be asked to provide the requested ports irrespective of volume of traffic at POI, even if the interconnection seeker agrees to bear the total cost of equipment required for augmentation.**

The only solution to this issue is as under –

- A. **IUC should be based on industry average Fully Allocated Cost (FAC) which is currently 37.5 paise per minute for Idea and industry average figure should be close. If this is done, then the interconnection Provider should have no problem in providing the requested ports**

irrespective of volume of traffic at POI, where the seeker agrees to bear the total cost of equipment required for augmentation.

- B. The other alternative is that the traffic is mandated to be maintained within a 45 – 55% range for the percentage of outgoing calls between any 2 operators. In case the incoming calls from another TSP exceeds 55% of total call traffic, then the TSP should be able to block traffic or charge a higher IUC rate for asymmetric traffic.**

Q14: Should separate time periods for provisioning of ports be prescribed for (i) fixed-line networks and (ii) Mobile/ IP networks?

IDEA Response

Idea believes there should not be a difference in time period for provisioning of ports for Fixed / IP / Mobile networks.

Q15: Whether financial disincentive should be imposed on TSPs for- 30

- (a) not entering into interconnection agreement within a stipulated timeframe;**
- (b) not providing initial POI;**
- (c) not augmenting POI within stipulated timeframe;**
- (d) for violation of any clause prescribed in the regulations.**

If yes, what should be the amount of such financial disincentives?

IDEA Response

1. Idea Cellular is of the firm view that that there should not be any financial disincentive imposed on the TSPs.

2. This is because with the exception of point (a) mentioned above, all other aspects are already covered in the Interconnect Agreement between the parties that is made in accordance to the Interconnect Regulations.
3. There is thus a clearly defined dispute resolution process defined should there be a non-adherence to the agreement clauses and therefore the Interconnect Regulations.

As regards the Point (a), we have already submitted that the time frame for entering into Interconnect agreement should not be mandated as many issues would require mutual discussions between the two Operators and these discussions / negotiations could at times be time consuming. It is pertinent to mention here that some entities offering internet telephony services have recently been making unreasonable demands for interconnection even when critical regulatory issues such as network architecture, routing and numbering scheme remain unclear without which there cannot be an agreement. It may be noted that proper clarity on all aspects of the interconnecting service is required before any decision on interconnection can be taken by the Interconnection provider.

Q16: Whether there is a need to have bank guarantee in the interconnection agreement? If yes, what should be the basis for the determining the amount of the bank guarantee?

IDEA Response:

The necessity of Bank Guarantees in interconnect agreements is obvious. The need to securitize interconnect amounts to avoid cases of TSPs defaulting such as in the case of Loop Mobile which impacted operators with bad debts on interconnect dues is a clear example of the need to have bank guarantees. The TRAI is fully aware of this case.

Bank Guarantee (BG) should be furnished in following scenarios as it ensures compliance in financial terms by TSPs :

- 1) BG between two new TSPs – In the first financial year, the BG should be initially given by both the parties if they have exchanged POI's with each other for amounts from Rs 5 Lakhs to Rs 1 Crore per LSA depending upon the traffic projection on each other and other factors. Post the first year of

commercial services, renewal of BG should be done as per the methodology mentioned below for existing TSPs.

- 2) BG from New TSPs seeking interconnection – Considering the asymmetric traffic pattern between Existing TSP and New TSP seeking interconnection, the existing TSP will be in a receivable position. Hence the TSP seeking interconnection should provide initial BG to Existing TSP for the amounts basis its projected traffic for the year, or as mutually agreed and increase the BG amounts if the asymmetric traffic exceeds the limit of BG basis the previous month's traffic. Post expiry of first year, renewal of BG can happen as per the methodology mentioned for existing TSPs
- 3) BG between two existing TSPs – The TSPs which is in net payable position should provide the BG to other TSP as per methodology mentioned below

Methodology for calculation of BG

“Average Net Billing of previous three months for interconnect and SMS traffic (including applicable taxes) * 3 *120%”

Exposure under BG will be reviewed half yearly and the net payable TSP's should furnish additional BG, if any, after considering the existing BG amount.

This terms and conditions should be same for all the TSP's including PSUs and one-sided advantage should not be given to any TSP. Such BG will be issued on net entity level exposure basis.

Q17: What should be the method to settle Interconnection Usage Charges and how should the delayed payment between TSPs be handled?

IDEA Response:

Gross settlement is advisable considering upcoming GST regulation, which requires CENVAT availability only after TSP issuing the invoice makes payment of GST to the Government and uploads required details of the same on the web site of Government. Such Gross amount should be settled by both TSPs

on due dates on mutually agreed basis. In case of non-payment beyond 30 days from due date, TSP having net receivable position should be entitled to encash the BG given by other TSP after sending appropriate notice. Details on BG have been highlighted in response to Question no. 16.

Further, any delay in payment of undisputed Interconnection charges beyond 15 days from due date should attract interest. Such interest should be at the rate as made applicable by the Department of Telecommunications on Licensees for delay in payment of revenue share license fees. The interest should be on net payable amounts.

Q18: Whether interconnection and interconnection agreement should be service-specific or service-agnostic (i.e. a TSP can send any type of traffic on a point of interconnection which is allowed under the terms and conditions of the license given to it)? What are the advantages/ disadvantages of having service specific POIs when the TSPs are equipped with call data record (CDR) based billing systems?

IDEA Response

Idea Cellular is of the view that Interconnect agreement should be service specific with the agreements clearly identifying the service, i.e. mobile call termination, fixed line call termination, national long distance call termination, and international long distance call termination. This would allow service specific changes to be incorporated in the interconnect agreements thereby leading to a low possibility of disputes.

Further, the Interconnection (POI) should continue to be Service Specific so that Intra-Circle/Local, Inter-Circle and International traffic for Fixed, Full Mobile and Limited Mobility calls get handed over in separate Trunk Groups. This has a clear advantage of avoiding billing disputes or possibility of unscrupulous operators sending Low IUC traffic mixed with high IUC traffic to evade paying a higher IUC. It is pertinent to mention here that this system is already operational and our billing systems are working based on the Trunk group, which are separate for each type of service and any change from the current arrangement would necessitate major modifications with the billing system.

The disadvantage of having separate Trunk Group per Service is that it needs more configuration efforts than having single Trunk Group, but we strongly feel that the benefits of such an exercise far outweigh the disadvantage as it results in avoidance of frauds and long term billing disputes.

Q19: If POIs are merged together, what methods of discovery, prevention and penalization of any traffic manipulation by TSPs (whereby higher IUC traffic is recorded as lower IUC traffic in the CDR of the originating TSP) should be put in place?

IDEA Response

As recommended above that the POI should be service specific so that there should not be any kind of traffic manipulation or mixing of higher IUC calls in the trunk group of lower IUC calls. However should such an event be detected by any party that traffic handed over by the other party (even when we have service specific trunk groups), has ‘unauthorized routing’ or ‘unintended routing’, the other party should be entitled and free to disconnect the POI and take any other suitable action including recovering the Amount for unauthorized routing. In such eventuality, the other party should be agreeable to make such payment “on demand”, without demur or delay, within 7 days of receipt of such Invoice issued by other party.

Q20: Which policy and regulatory measures are required to be taken to encourage TSPs to migrate to Interconnection at IP level? What should be the terms and conditions for inter-connection at IP level?

IDEA Response:

At the outset, it is submitted that the existing License condition duly recognizes and provides for Interconnection between the TDM and IP networks. Thus TDM – IP interconnection for PSTN/PLMN services is already permitted in the license. The Authority would appreciate that interconnection between two IP networks would only arise, when both concerned operators are ready for IP to IP interconnection. In our humble submission, this situation has yet to arise and considering the current status of evolution of networks, this is unlikely to happen any time immediately.

it is submitted that while operators are strategizing for migration towards an Internet Protocol (IP)-based telecommunications systems, however the migration to IP based /interconnection remains an ongoing process, and that this evolution /progression should be allowed to take place naturally based on the business plans and strategies of respective TSPs and thus there cannot be any mandate regarding IP to IP interconnection. Further, the Authority is also aware that the **Telecom Service Providers (TSPs) in India have committed huge investments in existing TDM networks, based on the initial license mandate and these investments have been made for larger time horizon specifically since the product life cycles and monetization of equipment requires larger time intervals.**

The Authority needs to take note of that fact that under the prevailing low return environment and mounting spectrum costs, TSPs have generally strategized their networks to run on IP networks in Transport layer and have decided to continue in R4 & R99 GSM architecture which *operates* the Voice on Circuit Switching only.

With this hybrid approach TSPs are able to ensure the Return on Investments are realized in traditional / legacy Network and at the same cater to the need for providing new emerging services.

Currently Idea does not have a single IP interconnection with any other UASL/UL operator to exchange Voice Traffic. All current interconnections are based on circuit switched / TDM technology. The existing deployed Networks will require new investments to build IP interconnection capabilities, features and security measures and also loss of existing investments in TDM interconnection technology. Further:

- i. In today's scenario, IP based Network has high risk of security breach such as Network hacking, Data theft & revenue leakage as compare to TDM Network.
- ii. Current deployed GSM Core Switches require additional IP features such as SIP, BICC protocol for IP signalling. Traditionally VoIP signalling works on SIP Protocol with external networks. SIP Protocol has many versions which are still in RFCs and Not a standard, and different OEMs have their proprietary versions of SIP whereas in TDM we have SS7 signalling - ISUP protocol which is an ITU standard.
- iii. Operators will have to deploy multiple SBC's and IP devices to secure the Network.

- iv. Skilled IP/MPLS resources are limited in industry and today also many configuration and fault escalations are handled only by highly skilled Vendor Engineers from their respective Global Service Centres.

Thus considering the present scenario, we strongly recommend that Interconnection should not be mandated through any amendments in license and should be left to bilateral agreement between TSPs based on the technology used in their respective networks.

Q21: Whether there is a need to establish a framework for Interconnect Exchange to eliminate bilateral interconnection issues?

IDEA Response:

IDEA suggests that there is NO need for interconnect exchange, due to following reasons:-

1. All operators have already established large no. of interconnections.
2. During so many years of growth in telecom the interconnection has been based on peer to peer and it is already serving the industry well and has large investments on ground.
3. Interconnect exchange will be additional cost burden on industry without any additional benefit. This is because majority of the operators have already established their interconnection bilateral interconnects with large investments and therefore interconnect exchange will be an additional/unproductive cost burden
4. Interconnect exchange will act as additional point of Failure in whole network and reduce the reliability factor of all Telecom Networks.
5. Interconnect exchange will be required of very large scale capacity (something of combined size of STP Networks deployed by all Telecom Service Providers).
6. Interconnect exchange will introduce additional Signalling HOP for all domestic, National and International Calls from @1.05 Bn subscribers.

7. Interconnect exchange cannot be compared with MNP exchange as the size and scale of MNP exchange is for only 5 – 7 % of subscribers opting of MNP every month.
8. Further, even TRAI in its Direction on “Direct connectivity between networks of Service Providers”, vide File No. 101-13/2003-MN, 22nd July 2003, has acknowledged that transiting the traffic entails avoidable costs and accordingly justified the need for direct connectivity in the following words:

“2. Need for Direct connectivity:

*Transiting traffic between service providers in the same service area entails avoidable transit charges that are eventually passed on to the consumer by the service provider in the form of higher tariffs. Further, even from traffic engineering point of view this carriage may not be desirable especially in situations when the subscriber numbers are likely to grow. It would not be techno-economically viable for a large amount of traffic to follow the transit route unnecessarily. In order to estimate such traffic, data was also called for to have a considered opinion on the justification of **direct connectivity** between BSNL Cellular and other Pvt. CMSPs. From the data obtained, it was observed that the data justifies **direct connectivity** amongst service providers in most of the areas. The Authority is therefore, of the opinion that direct interconnection should be mandated. Even otherwise, the TRAI's IUC Regulation 2003 does not have a provision of any transit traffic between operators within the same service area.”*

Therefore at this stage, because of well matured networks in India we do not consider it technically and particularly in commercial terms a viable option to have an interconnect exchange. Hence, IDEA recommends there is NO need of Interconnect exchange.

Q22: Is there any need for a separate framework for Interconnect Exchanges in view of the fact that the new NLDO authorization permits transit traffic to be carried over by NLDO?

IDEA Response

As highlighted and justified above, IDEA recommends there is NO need of Interconnect exchange. Further, we would like to submit that the NLDO authorization does not permit transit traffic to be carried over by the NLDO. In this regard we have the following submission:

- a. The clause which allows carriage of intra circle traffic in the Unified License – Access Authorization is as below:

2.2 Licensee may carry intra-circle long distance traffic on its network. However, subject to technical feasibility, the subscriber of the intra-circle long distance calls, shall be given choice to use the network of another Licensee in the same service area, wherever possible.
The Licensee may also enter into mutual agreements with other UL Licensee (with authorization for access service)/other Access service licensee/National Long Distance Licensee for carrying its intra-Circle Long Distance traffic

- b. The present clause in the Unified License – National Long Distance Authorization is as below:

2.1 (a) The NLD Service Licensee shall have the right to carry inter-circle switched bearer telecommunication traffic over its national long distance network. The Licensee may also carry intra-circle switched traffic where such carriage is with mutual agreement with originating access service provider.

- c. This clause is similar to the clause present in the scope of the earlier National Long Distance License which stated as below:

2.2 (a) The NLD Service refers to the carriage of switched bearer telecommunications service over a long distance and NLD Service Licensee will have a right to carry inter circle traffic excluding intra -circle traffic except where such carriage is with mutual agreement with originating service provider.

- Reference is drawn to clarifications issued by DoT vide its letters dated 26th February, 2007 and 16th July, 2007 which stated as below:

With reference to above, it is hereby clarified that the handover, takeover, termination etc. of the intra circle traffic shall continue to be governed by the terms and conditions of the license agreement of the originating service provider, irrespective of whether the traffic is carried by the originating service provider itself or through NLDO. (26th February, 2007)

Provision of carriage of intra circle traffic under Clause 2.2(a) of the NLD License is barely to enable the access providers to use the network of NLDOs, if they so require, for carriage of their traffic in their network from one station to another. This clause does not confer any right on the NLDOs to carry any intra-circle long distance traffic (16th July, 2007)

It is clear from the above that :

- (a) The NLDO is not allowed to carry transit intra-circle traffic.
- (b) Originating Access service provider can use a NLDO to terminate its own intra circle traffic.
- (c) Originating Access service provider can also use a NLDO to terminate transit traffic in agreement with both the originating and terminating service provider.

Thus, it is clear that NLDO are not allowed to establish an interconnect exchange for this purpose.

Q23: Whether access providers should be allowed to transit intra-circle calls?

IDEA Response

Idea recommends that that there is No need to have change in agreement clause, where the transit of Intra-Circle calls has been left to mutual agreement between originating and terminating parties. The clause in IC Agreement already exists as “*The Parties agree that traffic shall not be transited via the network of a third party for termination into each other's network except in case of network failure in network of either Party*”.

Q24: Under what circumstances, a TSP can disconnect POIs? What procedure should be followed before disconnection of POI?

IDEA Response:

Since disconnection of POI's becomes necessary in some situations, the dispute settlement provision along with the time frame for resolution should be made part of the agreement. Non resolution can entitle the aggrieved TSP to disconnect POI's in the event of material breach by the defaulting party viz;

1. Failure of the defaulting party to release undisputed payment to the aggrieved TSP as per the terms of the agreement
2. Defaulting party has used the services in contravention of law or its License and regulatory compliances and this has been upheld by the Regulator.
3. Defaulting party's network adversely affects the normal operation of the aggrieved TSP's network.
4. The defaulting party is adjudged bankrupt or insolvent.
5. The defaulting party has ceased to hold license under sec- 4 of the Indian Telegraph Act

In case of any dispute arising out of above mentioned reasons 1 to 3 above, a notice will be issued to the defaulting party for the initiation of dispute resolution of process within 30 days from the delivery of such notice (zero date) as per procedure mentioned below –

- TSPs should form "Inter Party Working Group" comprising of 2 members from each side to resolve the dispute within next 10 days from the zero date.
- If the Inter Party Working Group is unable to resolve the dispute then matter should be escalated to Senior Management who will deliberate to resolve the issues within 20 days from the zero date.
- If Senior Management is unable to resolve the dispute then it should be referred to TRAI or DoT for appropriate resolution within 30 days from the zero date.

- In case of no resolution after referring the dispute to DoT or TRAI within 30 days from zero date or within 7 days from referring to DoT or TRAI, whichever is later, POI can be disconnected by aggrieved TSPs after serving a 7 days' notice to the defaulting party for rectifying the default, failing which the aggrieved TSP will be allowed to disconnect the POIs. Any arbitration or other similar proceedings under the Interconnection Agreement will not impact the right of the aggrieved TSP to disconnect POIs as per above procedure.

In case of disconnection on account of reasons 4 and 5 above, no dispute resolution process is required and the disconnection can be made by the aggrieved TSP by giving a 7 days' notice.

Q25: Is there a need to have a coordination committee to facilitate effective and expeditious interconnection between TSPs? If yes, who should be the members of the co-ordination committee? What should be the overall operating framework for the committee?

IDEA Response

We are of the view that there is no need of any co-ordination committee. The issues need bilateral discussions, and in any case the dispute resolution mechanism is already part of the agreement.

Q26: Is there any other relevant issue which should be considered in the present consultation on the review of regulatory framework for Interconnection?

IDEA Response

A. In view of recent events, following list of points shall be considered under new regulatory framework for Interconnection:-

- a. There shall be defined test period for testing of services.
- b. Declaration of Commercial Traffic Start date should be mandated. POI Commissioning or POI Start Date means the date of launch of Commercial Services by the POI seeker in a particular

LSA (i.e. the date on which commercial traffic shall be routed on the identified E1s by the POI seeker). This Date will be treated as reference start date for all the events / activities pertaining to such identified E1s as given in the agreement (including but not limited for invoicing/billing purposes).

- c. **Test Phase:** Post the POI Acceptance testing by the Parties, a limited period for which provider allocates two E1s per LSA for further testing purposes shall termed as POI Test Phase. This period shall not extend for more than 30 days from the date of provisioning and during this period no commercial traffic shall be routed on the identified E1s.
- d. New operator should be responsible for maintaining QOS / congestion levels faced on Interconnection for any abrupt rise of traffic due to what so ever kind of traffic.
- e. There must be TEC guideline and Regulator mandate to calculate Utilization based on Grade of Service for augmentation based on day's busiest hour reports.
- f. Provider should not be held responsible for an abrupt increase in traffic due to introductory / Promotional / Free call offers by seeker during launch phase or later which deviates traffic pattern from industry standards. For these exigencies the Seeker will be responsible for customer congestion and call failures at seeker end POIs.

B. Our additional submissions relating to the continuing intransigence on part of PSU operators for fair, equitable and reciprocal arrangements are as follows:

a. Handover at the farthest Point in its network: Both parties should have a right to carry a call to the farthest point in its network and handover to the other party at the terminating end. Call handed over at gateway switch serving multiple switches or connected to the multiple SDCA should be considered as far end handover and should be on a reciprocal basis.

b. Emergency Services:

- i. **No other charges for emergency services will be levied by BSNL/MTNL except the applicable IUC:**

- I. Emergency services are those that are availed in situations of distress. It is required that these services are facilitated through the least impeded routes and are not commercialized by BSNL/MTNL by the levying of charges that are higher than the standard interconnection charges. Currently, the charges levied by BSNL and MTNL are:
 - **MTNL** levies a charge of Rs.1.20 per minute for emergency service traffic handed over to them by private TSPs in Delhi and Mumbai.
 - **BSNL** collects an annual lump-sum in each LSA over and above the applicable IUC for such traffic on a “per-minute basis”. The lump-sum regime was introduced by BSNL in 2010 to replace the “per minute” charging regime akin to MTNL (i.e., Rs.1.20/min). The lump-sum was initially fixed at Rs.10 lacs p.a. for the entire service area with an annual increment which was later defined as 10% vide BSNL’s circular. Consequently, the lump–sum has escalated year-on-year since 2010-11 to Rs.16.10 lacs + service tax for FY 2015-16 in each LSA.
- II. These charges are not only unreasonable and exorbitant but are unjustified since the legacy of BSNL/MTNL’s resources being deployed for emergency services by the organizations, i.e., police, ambulance, etc., has compelled operators to use their network.
- III. **In this regard, we request TRAI to:**
 - Notify that no other charges for emergency services will be levied by BSNL/MTNL except the applicable IUC.
 - Intervene and direct BSNL/MTNL to allow operators to directly route and terminate the traffic to the respective organizations providing emergency services.
- ii. **Emergency traffic should be accepted by BSNL at all POIs:** TSPs are facing difficulty in handing over of emergency service traffic at PIs other than L-II TAX of BSNL even though there is no restriction in the existing Interconnection Agreements stipulating any particular

level / PoI for handover of traffic. There should not be any artificial routing barrier such as L2 and L1 TAX etc. and BSNL should allow TSPs to any/the best available route to terminate these calls by directly translating it to the terminating numbers and ensure that there is no failure.

- iii. Allow operators directly route and terminate the traffic to the respective organizations providing emergency services:** In the current scenario, traffic is handed over with Called Number as <SDCA Code + emergency short code>. BSNL converts this Called Number to actual Directory Number of the emergency assistance agency. Thereafter, the call is terminated onto the control center of the said agency akin to any normal call. Thus, although the number conversion is done by BSNL & MTNL, however this is solely on account of the fact that ONLY they are aware of the Directory Number of the concerned emergency assistance agency. Our member operators do not know the Directory Numbers of the emergency assistance agencies (at least where the terminal / PRI / telephone connection has been provided by BSNL & MTNL) and therefore cannot perform conversion to the actual B-Party Number.

Thus, we recommend that the provision of these services should be akin to any other short code configuration, in which the concerned agency/authority in whose favour the short code is issued by DoT, intimates the routing and termination numbers to all TSPs. Upon receipt of the Directory Number from such agency, all TSPs map the short code to the Directory Number and implement the routing at their end. If such a mechanism is deployed for emergency service calls as well, TSPs will have independence in routing of traffic to emergency assistance agencies. This model provides the autonomy to TSPs to manage the routing intelligence in their networks without being dependent on any other TSP and irrespective of the fact that the telecom resources deployed by the concerned agency may be of some other TSP.

- c. Align the number of POIs:** There is need to reduce the number of PIs (levels of hand-over of traffic) of state-owned TSPs (i.e. fewer PIs per LSA by removing the hierarchical layers of PIs from L-I TAX to L-II TAX to SDCC Tandem to Local Exchange) and remove transit charges for carriage within the network of BSNL/MTNL (i.e. from L-I TAX to L-II TAX or from L-II TAX to SDCC Tandem).

- d. **Preclude levy of notional charges in contravention of IUC Regulations:** The new framework needs to preclude levy of notional charges in contravention of IUC Regulations, such as excess sum of 15p/min demanded by BSNL from NLDOs for inter-circle calls of national out-roamers carried by NLDO and handed over to BSNL at SDCA Poles in Home Circle of out roamer for termination in BSNL's Fixed Line network. BSNL levies this charge for the distance between Gateway TAX in Home Circle of out roamer to SDCA PoI, on the pretext of notional carriage, whereas the call is actually handed over by NLDOs at last point / SDCA and no further carriage is involved.
- e. **No TAX transit charge wherever traffic is handed over at originating LDCC TAX or L1 TAX:** Capacity building at the MSC / TAX is a business decision of BSNL and therefore the cost of BSNL's inability to provide the direct PoI should not be transferred to the other TSP. Thus, in new framework no transit charge should be levied wherever traffic is handed over at originating LDCC TAX.
- f. **Reasonable infrastructure charges:** BSNL has been unilaterally specifying the rates of the infrastructure charges and increasing them without any justification and/or consultation with the private operators. For example, the recent revision in infrastructure charges by BSNL circular dated 12.06.2012, in which they attempted to apply the increased charges retrospectively from 2009. The issue was challenged before the TDSAT and the Court in its order dated 14.10.2014 directed prospective implementation but BSNL, vide another Circular dated 30.03.2015, has sought to prescribe Infrastructure charges at the same rate as would be achieved by retrospectively applying Circular dated 12.06.2012, thereby seeking to indirectly achieve the same objective that it could not achieve because of the TDSAT order.
- g. **Charges for shifting of POI's :**
- i. BSNL levies the following charges for PoI shifting:
- Surrender Charges at existing PoI equivalent to one full year's port charges
 - Fresh Port Charges for new PoI for an equivalent number of E1s
 - Set Up Charges

ii. It is a settled position that surrender charges and port charges are not applicable for shifting of POI and if at all any set up charges are levied, these should be reciprocal and payable on work done principle.

iii. We request TRAI to ask BSNL to facilitate POI migration / shifting in adherence with the Judgments dated 06.03.2012 and 25.06.2012 of the Hon'ble TDSAT. The relevant extract from the judgment is enclosed as Annexure – 1.

h. Surrender Charges: BSNL also applies charges for the surrender of any existing POI at the rates equivalent to one full year's port charges. While on one hand the application of such charges is unwarranted, the situation is further worsened by BSNL applying these charges from the date of its approval for surrender rather than the date of application of the private operator for surrender.

i. Enable implementation of TDSAT pronouncements on Interconnection: In a number of cases, the courts (Hon'ble TDSAT / HCs / SC) have tried to restore balance between the private operators and BSNL/MTNL on Interconnection related issues by appropriate Orders and Judgments, however these have not been implemented by BSNL/MTNL by requisite amendments to the Interconnection Agreements. There is a need to execute such decisions to enable effective interconnection in true spirit. TDSAT in its Judgments has emphasized on the need for fairness and mutuality in the interconnection arrangements. The relevant portion of the Judgments is enclosed as Annexure – 2.

All the above has explicitly highlighted the need to bring level playing terms in the interconnection arrangements with BSNL/MTNL so that they are reflective of the much sought-after balanced interconnection structure.

Therefore, considering the existing anomalies in the BSNL/MTNL interconnection agreements, we request TRAI to take cognizance of the same and make necessary changes in the framework to pave the way for effective interconnection arrangements.