



**COAI Counter Comments-  
TRAI Consultation Paper  
On  
'Compensation to the Consumers  
in the Event of Dropped Calls'**

**September 28, 2015**



## I. Preliminary Comments:

1. TRAI is an expert body entrusted to consider issues in holistic manner for any public consultations, recommendations, regulations etc. Under the TRAI Act, TRAI is **obliged to protect the interests of service providers and consumers of telecom sector**, to promote and ensure **orderly growth of the telecom sector**. The decision of the Regulator could very well be counter-intuitive from the perspective of common public or of any other influencers. However, the process of placing all relevant facts, transparency and a consultative approach always ensures that any decision taken will meet the objectives of the TRAI Act.
2. In the current instance, we are constrained to note that an element of subjectivity has crept in the way the consultation paper has been designed. It is evident that any discussion on Call Drops cannot be divested from the discussions on the technical aspect of mobile networks and the all matters connected therewith. The responses to the consultation paper have highlighted the following technical issues which need to be addressed. These issues should have been discussed in the Consultation paper itself
  - a. In light of the fact that no network can be 100% free of call drops (and therefore the benchmark being pegged at 2%), the rationale of a compensatory mechanism despite being within the benchmark.
  - b. The license issued by the licensor viz. DoT, in India and even by other Licensors/Regulators worldwide take cognizance of the above fact and hence do not mandate 100% coverage at all times or zero percent call drops in wireless networks.
  - c. Problems of call drops are localized at few locations in Metro towns and not a Pan India phenomenon.
  - d. Existing TRAI Regulations have mechanism of disincentives in case of not meeting QoS parameters and hence any proposed compensation for customers would act as double whammy to operators.
  - e. Adequate capacities and massive investments have been made by operators and TRAI concerns on this account are misplaced and invalid.
  - f. Operators require more resources to set up a call than to continue a call. TRAI concerns on call drops lead to increased duration of calls, result in higher revenues to operators, networks not optimized etc. are misplaced and not based on facts
  - g. Inability to differentiate between call drops due to reasons under operator's control and those due to external issues.
  - h. License disallows call handover while travelling across Circles.
  - i. Technically impossible to provide drop free experience in basements, lifts and across thick walls.
  - j. Customer's perception of a call drop may actually be on account of other factors
  - k. Receiver sensitivity of user terminals.

- l. Possibility of increase in overall tariffs on account of the compensatory mechanism for few.
  - m. The rationale for assuming any call shorter than 5 seconds being a dropped call.
  - n. Cost, timelines and efforts involved in the implementing of the compensatory mechanism.
  - o. Any discussion on compensation without having complete understanding on how such compensation can be auditable and accurately verifiable, would only lead to chaos in the telecoms sector and increase litigation.
  - p. The relevance of the compensatory mechanism for call drops on account of external factors like:
    - o Issue of site sealing and lack of new siting permissions
    - o Use of illegal wide-band repeaters and jammers
    - o Force majeure events e.g. Natural calamities, Law & Order issues, Bandhs and Blockades etc.
  - q. No compensation mechanism is available for the mobile operators in the event of recurrent issues such as non-availability of sites due municipality etc., delayed allocation of spectrum by Licensor, non-issuance of equipment import approvals, delay in Right of Way approvals, no resolution on interference issues etc.
3. This consultation paper, therefore, has not raised the regulatory, techno-commercial and technical matters for discussion (with pros and cons of any decision) which will enlighten the complexity to even a lay person. On the contrary, the paper has asked very simplistic question – ‘Should customer be refunded/ compensated for call drops?’ **We respectfully submit that question so structured will result in only one-sided answer.** Such question does not bring forward underlying discussions and factors. Further, it wrongly presumes that service providers are defaulters, while they are not. **Despite the above, we are relieved to note that a few non-TSP responses have acknowledged the complexity of the issue and have not supported the compensatory mechanism.**

## II. Investment by the operators:

1. We have also observed that the consultation paper has derived a prima facie conclusion that operators are not investing enough. One of the arguments taken is that the incremental BTS count has not matched the pace of traffic increase. We respectfully submit that such conclusion, based on incorrect evidence, is a gross injustice to the telecom sector. It has been brought out in the responses that –
  - a. There is no direct correlation between CAPEX spends and Capacity creation.
  - b. Incremental BTS additional is not the only evidence of investment. Capacity enhancement involves many other investments like addition of TRX and other channel elements.
  - c. The total investments made by the telecom industry in FY2014-15 in India is to the tune of approx. INR 50,000 crores. This includes investments in total assets – tangible (such as plant and machinery) and intangible assets (such as radio spectrum and licenses) and capital work in progress. Hence, the investment made by the Telecom sector is far higher than the figure of Rs.9325 crore mentioned in TRAI Consultation paper.



- d. 2G & 3G networks cannot and should not be viewed in isolation since they are seamlessly inter-twined. Both networks carry both Voice and data.
- e. From an over-all circle perspective, our member operators have sufficient traffic carrying capacities and therefore corroborating the fact that call drop is a localized phenomenon.

### III. Misplaced notion that operators are benefitting from missed calls:

1. The Consultation paper alludes to a possibility of operators benefitting by call drops. This reference is also completely misplaced and not even technically possible to have mechanism for such a revenue source. **Such indications in the consultation paper, without evidence, are unfair towards the sector and have impacted the confidence of the telecom sector** and we respectfully submit that such technically impossible and non-evidence based indications do not befit an expert body like TRAI.
2. Further, some of the individuals in their response to the consultation paper have submitted that the consumer gets charged for intended as well as dropped call/pulse. The operators on the other hand are not doing enough to reduce the call drop.
3. In this regard, we would like to submit that with a choice of around 8-10 operators per circle along with added convenience to retain the number through MNP, customer has a free choice to leave the services of an operator. This is a sufficient reason for each operator to invest and build the best quality network possible and put best efforts to minimize the call drops by continuously investing in network through more sites, more spectrum and continuous optimization of the installed network. **Therefore, we do not believe in any kind of compensation against call drops**

### IV. Localized Issue:

1. The issue of call drop is localized to certain locations only. However the issue has got disproportionate attention in the minds of the customers and the media. It will be extremely difficult for operators to work towards addressing public perception when such consultation has been issued, even with the best efforts at network level.
2. In this regard, we would like to reiterate that the problem of the Call drop, which has surfaced in last few months, is not a PAN India phenomenon. It is restricted to some of the selected areas wherein the issues such as lack of site availability, lack of ROW for in-building solutions, Non-operational towers etc. are prevalent. These problems are faced by operators in certain areas of Mumbai, Delhi.
3. Operators have already taken measures such as installation of new towers in the affected areas, used optimizing tools such as SON- Automated optimization tools, Automated Frequency Planning (AFP) tool etc., offloading the traffic from 2G networks & optimised hand-offs between 2G, 3G & 4G sites, to resolve the issue.



## V. Role of TRAI:

1. Section 11 (1)(b)(v) of TRAI Act states that TRAI has to discharge following function:

***“(1)(b)(v) lay down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect the interest of the consumers of telecommunications service;”***

2. Ensuring the quality of service implies that there should be contribution from TRAI to make the environment in the country conducive for growth of telecommunication infrastructure and also work towards the removal of all hindrances and bottlenecks afflicting the telecom sector. The absence of such efforts and indict service providers, will not achieve the stated objectives of the Act.
3. There are several identified challenges of the telecom sector (mentioned below) which require urgent intervention and support , as have been highlighted in various responses :
  - a. Site acquisition from Government and Defense properties
  - b. Challenge posed by local/ municipal bodies in regards to declaring towers as illegal and sealing them
  - c. Dispelling misplaced notions in regards to EMF to avert RWA forcefulness
  - d. Addressing the grim power situation across the country and working towards telecom sector being granted essential services sector and obtaining priority grid power at industrial tariffs.
  - e. Easing ROW policy – Fiberized towers are much more robust from QoS perspective
  - f. Making more and more spectrum available quickly and at reasonable reserve prices (Auction will achieve transparency and thereafter maximization of revenues should not be an objective else it only leads to passing the burden onto consumers through higher tariffs)
  - g. Getting the M&A guidelines right so that there is actual movement and the market structure improve for the better
  - h. Support of Government in Spectrum Changeover cases
  - i. Help the Industry to reduce the overall cost of capital and mobilize cheaper funds for the growth of the Telecom infrastructure, by issuing Tax free bonds.
4. All the above factors have been duly recognized by TRAI in the past. However, very little or no progress has been made in this regard. TRAI is obliged under Section 11 (1)(b)(v) of TRAI Act to ensure facilitation of the processes and permission processes. Absence of it has led to various kinds of issues in network rollouts, inefficiencies, litigations etc.
5. It is disheartening to note that the telecom sector despite being the sector with highest private investments, one of the highest contributors to exchequer, unmatched rural penetration, one of the key contributors to economic growth, providing cheapest prices in the



world and operating in a hyper-competitive market is being treated in this manner with all relevant facts completely ignored.

6. We respectfully submit that TRAI Act does not empower the Authority to introduce and/or implement a mechanism for such refunds or compensation. Also, this is neither part of function of ensuring quality of service nor it is part of notifying rates of telecom services.
7. The Authority is legally bound to ensure transparency while exercising its power and discharging its functions and we expect that it will follow these principles in this matter.

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