

To

All Service Providers (BSOs/CMSOs including BSNL/MTNL)

Subject: Direction under Section 13 of TRAI Amendment Act on Direct connectivity between networks of Service Providers.

TRAI has been receiving representations from several service providers (CMSPs and BSOs) regarding the issue of providing Direct Connectivity between the network of two service providers. The various representations received were analysed in terms of ensuring a level playing field and protecting consumer's interest. The issue was also discussed by Authority with BSOs/CMSPs including BSNL on 30.6.2003.

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 operator within the same service area.

3. Level Playing Field :

As per the license conditions of CMSPs (fourth operator), it is mandatory for CMSPs to provide interconnection to all eligible Telecom Service Provider. However there is no such stipulation in Basic service provider's license. Mandating provision of interconnectivity on one class of service provider would tantamount to discrimination and in the opinion of the Authority would be against level playing field principle.

4. In the interest of consumers and to maintain level playing field, the Authority is of the view that in all cases where at least one of the two parties desires a direct connectivity, the direct connectivity between the network of two service providers in the same service area should be provided. The direct interconnection could be through a transit switch and/ or transmission media. However in exceptional cases where sufficient traffic is not there and direct interconnection may not have techno-economic justification, service provider could work out mutual arrangements for traffic routing through transit service providers. This transiting of traffic could be through any Basic Service Operator.

5. In view of the above, BSNL's/MTNL's cellular network also have a case for direct connectivity with Pvt. CMSP's/BSO's network in the same service areas. Similarly Pvt. BSOs and CMSPs shall also preferably have direct connectivity with other BSOs and CMSPs in their service area. For cases of overflow/disruption of traffic on direct interconnection route, transit arrangements shall continue to be permitted based on mutual agreement between the service providers.

6. In order to ensure effective interconnection between different service providers and to fix the terms and conditions of interconnectivity between the service providers as per clauses 11(1)(b)(iii) & (ii) of TRAI (Amendment) Act 2000, the Authority hereby directs under Section 13 of TRAI Amendment Act 2000 that connectivity should be made between the service provider at the earliest and not later than three months from the date of issue of this direction.

7. However, transiting of traffic in the exceptional cases mentioned in para 4 above and/ or in the cases of overflow/disruption of traffic on direct interconnection route, may be permitted through any BSO based upon mutual agreement between the service providers.

8. For any changes in the existing arrangements as a result of this directive, a smooth change over without affecting the services to consumers should be worked out with an information to TRAI.

This issues with the approval of the Authority.

(Rajendra Singh)
Advisor (MN)