



Interconnection TRAI <interconnection.trai@gmail.com>

Comments on Consultation Paper on Review of the Regulatory Framework for Interconnection

1 message

Shilpi Jaiswal <shilpi@vmobi.co>

Mon, Dec 12, 2016 at 3:25 PM

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Dear Sir,

We, VMOBI Solutions Private Limited have obtained the following Licences from Department of Telecom for providing the telecom services:

1. UASL Agreement No. 20-486/2015 AS-I/ dated 23rd February, 2016
2. NLD, ILD and ISP Services Agreement No. 20-486/2015 AS-I/ dated 18th March, 2016

Please find attached herewith our response to questions raised by TRAI in the Consultation Paper on Review of the Regulatory Framework for Interconnection issued on October 21, 2016 bearing no. 22/2016.

The physical copy of the response is also being sent to your office.

Thanking you,

Sincerely,

Shilpi Jaiswal

Authorised Signatory



Comments on Consultation Paper on Review of the Regulatory Framework for Interconnection.pdf

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VMOBI's response to TRAI's Consultation Paper on Review of the Regulatory Framework for Interconnection dated 21.10.2016

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.

VMOBI Response:

1. The Telecommunication Industry in India is in a stagnancy stage currently with respect to innovation and innovative telecommunication products. One of the main reasons for such stagnancy with respect to innovation in telecommunication products is that incumbent telecom service providers (TSPs) with large market shares are resistant to any such innovation. Further, most of the incumbent TSPs in India have been licensed under earlier licensing regimes and not the current Unified Licensing (UL) Regime adopted by the Department of Telecommunication (DOT). The improvements and the liberalization under the new UL Regime are not reflected in the interconnection agreements signed between incumbent TSPs and are further not reflected in the interconnection terms being offered by incumbent TSPs to new TSPs.
2. The necessity of interconnection and the current regime regulating interconnection between TSPs allows incumbent TSPs to adversely affect the scope and the quality of services attempting to be provided by newer TSPs. Due to the current market environment and the lopsided bargaining positions of incumbent TSPs and new TSPs, as well as the reluctance to adopt the terms of the newer UL Regime by the incumbent TSPs, requires a greater amount of intervention from the Telecom Regulatory Authority of India (TRAI) to enter into effective interconnection agreements with incumbent TSPs.
3. Therefore to ensure a rationalization and implementation of the intent of the Government of India, as evidenced in the UL Regime approved by the DOT, the TRAI should primarily adopt **Option 2** as mentioned above i.e. prescribe a standard interconnection agreement to be executed between TSPs if such TSPs are unable to mutually agree on terms and conditions of interconnection agreement between themselves in a specified time-frame. The Standard Interconnection Agreement to be executed between TSPs should be prescribed by the TRAI after consultation with all stakeholders.

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4. Such Standard Interconnection Agreement should include certain terms which are not subject to negotiation between parties, such as the scope of service, technical issues pertaining to interconnection, quality of service, costs of interconnection, such as IUC, augmentation etc., as such terms are subject to License conditions and TRAI Regulations and Directions and there can be no deviation from the same. Further, the Agreement may also contain draft mechanisms for certain commercial terms such as Bank Guarantee, leasing of media, etc. which depend on the commercial circumstances of each of the TSPs may be left to commercial negotiations between the Parties, however the same must continue to be fair, reasonable and non-discriminatory in nature.
5. If the commercial terms cannot be agreed on within a time-bound manner, the interconnection request must be resolved by TRAI for the Parties, and the Parties are required to agree to such terms imposed by TRAI and execute such interconnection agreement and perform their duties under the terms of the License as well as such Interconnection Agreements.
6. The inability to get fair, reasonable and non-discriminatory interconnection agreements from 'interconnection providers' by interconnection seekers' results in revenue loss to such 'interconnection seekers' as such interconnection seekers have to pay its requisite License Fee to the DoT as well as invest capital to bring their networks on-line and in compliance with the UL terms prescribed by the DoT. After incurring such costs, such interconnection seekers are thereafter unable to provide their services to their subscribers effectively due to interconnection providers i.e. incumbent TSPs, not providing such interconnection seekers a fair, reasonable and non-discriminatory interconnection agreement.
7. **Conclusion:** The TRAI should primarily adopt **Option 2** as mentioned above i.e. prescribe a standard interconnection agreement to be executed between TSPs if such TSPs are unable to mutually agree on terms and conditions of interconnection agreement between themselves in a specified time-frame. The Standard Interconnection Agreement to be executed between TSPs should be prescribed by the TRAI after consultation with all stakeholders. **Such Standard Interconnection Agreement coupled with time bound intervention by TRAI in the interconnection process will encourage newer TSPs to attempt to provide new and innovative telecommunication products as such new TSPs will not have to undertake and factor in large revenue losses due to resistance and blocking strategies of incumbent TSPs and would result in a fair and even playing field for newer TSPs vis a vis incumbent TSPs. Such fair and even playing field will further encourage innovation and improved telecommunication service availability across India and will revitalize the Telecommunication industry in India.**

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?

VMOBI Response:

1. The existing interconnection agreements executed between existing TSPs have mostly all been signed (barring Reliance Jio) prior to the introduction of the UL Regime. The UL Regime has liberalized and changed many aspects of previous telecommunication licensing regimes. The TSPs licensed under previous regimes (UASL, Individual service licensing) are unwilling to offer newer and updated terms to interconnection seekers as they are currently not beneficiaries of such liberalization in the licensing regimes as their previous interconnection agreements were executed before the UL Regime.

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2. Therefore, it is imperative that, in order to have a fair and even playing field, that newer TSPs have the option to migrate to the new framework that will emerge from this consultation process. Older TSPs must execute either fresh interconnection agreement or amend existing interconnection agreements to bring them up to date with the current licensing regime.
3. Going forward the DoT or TRAI may choose to further amend the UL or introduce a new licensing regime. All changes in license terms, so far as they have an impact on the interconnection agreements between TSPs must be amended as and when such licensing conditions are changed by the DOT or directions, clarifications or rules and regulations are provided by the TRAI. This will ensure that with changes in the regulatory framework all TSPs are regulated by the same framework and consequently their interconnection agreements also reflect such change in the regulatory framework.
4. **Conclusion: Yes, TSPs must have an option to update existing interconnection agreements to include changes that are resultant of the new framework provided by TRAI.**

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?

VMOBI Response:

1. Interconnection is a crucial issue for any TSP. Without valid interconnection, service provided by any TSP, especially a new TSP may rendered useless as their subscriber will not be able to reach the subscriber of another TSP. Further, as mentioned above, not providing a timely, fair, reasonable and non-discriminatory interconnection agreement to the interconnection seeker results in a large loss to the new TSP. Therefore, it is imperative that time-frame within which an interconnection agreement should be entered into is within 30 days of a request from a validly licensed TSP to the existing TSP.
2. Further, if the existing TSP i.e. interconnection provider, does not execute a fair, reasonable and non-discriminatory interconnection agreement with the interconnection seeker, the request should be directed to the TRAI and the TRAI should resolve the issues within a time bound manner, within a further 30 days.
3. **Conclusion: The time-frame for entering into a fair, reasonable and non-discriminatory interconnection agreement should be not more than 30 days from the first request by the interconnection seeker.**

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.

VMOBI Response:

The new TSP should be required to furnish the following details whilst seeking an Interconnection Agreement

- Copy of their License
- Location of their switches / infrastructure

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Beyond this no other information is required for seeking an Interconnection Agreement. Currently incumbent TSPs are requiring Interconnection seekers to furnish several information requests that have no relevance to an interconnection agreement.

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?

VMOBI Response:

1. If an interconnecting TSP acquires a new license upon expiry of the old license the interconnection agreement should subsist between the two TSPs provided that the terms of the interconnection agreement are updated to take into account the changes introduced between the old license and the new license.
2. If there is no change in the terms of interconnection under the new license from the terms as contained under the older license then such TSPs should be permitted to renew the agreement without the requirement of entering into a fresh agreement.

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?

VMOBI Response:

1. As mentioned in the TRAI Consultation Paper, under the present definition of SMP, none of the TSPs qualify as holding SMP in a licensed area and therefore, none of the TSPs are required to publish their Reference Interconnect Offers. This is due to the fragmented market share each TSP in India currently possesses and significant consolidation and change in such market share is unlikely to occur quickly.
2. Therefore, it is our opinion that the concept of SMP itself be done away with for the purpose of publishing of Reference Interconnect Offers. Every TSP is required to interconnect with other TSPs irrespective of market share or any other criteria. Therefore, it should be incumbent on each TSP to publish its Reference Interconnect Offers. This will streamline the entire process of interconnection and TSPs would be in a better position to obtain interconnects with incumbent TSPs on a fair, reasonable and non-discriminatory basis and in a time-bound manner.
3. The requirement to publish Reference Interconnect Offers will streamline the process in the following manner –
 - a. As the RIO will be published, TRAI will be in a position to comment and recommend changes to such RIO if such RIO does not comply with the relevant regulations and further if the same is not fair, reasonable and non-discriminatory.

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- b. There will be no information asymmetry with respect to the RIOs of individual TSPs. A TSP would not be in a position to offer better terms to one interconnection seeker in comparison to another interconnection seeker.
 - c. Interconnection Seekers would not be dependent on the internal machinery of TSPs in providing drafts of the interconnection agreements, which itself can take large amounts of time.
 - d. The interconnection seeker would be in a better position to understand and agree to the terms offered by interconnection providers in a quicker and more time efficient manner.
4. **Conclusion: The requirement of TSPs to publish their Reference Interconnect Offer should not be linked to Significant Market Power as interconnection is a necessity irrespective of market share and other criteria. Such publication of RIO will ease the regulatory process and save time in establishing interconnection between TSPs.**

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

VMOBI Response:

1. The current conceptualisation of interconnection seeker and interconnection provider has resulted in an anti-competitive situation where interconnection providers are able to dictate terms to the interconnection seekers.
2. In order to increase competition in the market and revive the telecommunication industry by encouraging new entrants who offer innovative telecommunication services and products, the concept of interconnection seeker and interconnection provider should be discontinued.
3. The notion of an interconnect seeker and interconnection provider is biased and unfair. In any interconnection arrangement both parties have customers that require to reach the other TSPs customers. There should be no commercial difference between an interconnection seeker and an interconnection provider.
4. Also note that becoming a TSP involves a sizeable capital outlay. Since 2009 there have only been two new licensees. Hence there is no significant burden on incumbent TSPs to offer interconnections to new TSPs. Additionally the cost of interconnecting using IP technologies now is negligible.

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

- (a) Minimum number of E1 ports for start of service;*
- (b) Maximum time period for issuance of demand note by the interconnection provider;*
- (c) Maximum time period for payment for demanded E1 ports by the interconnection seeker;*
- (d) Intimation of provisioning of requested E1 ports by interconnection provider;*
- (e) Space allocation for collocation of transmission equipment;*
- (f) Maximum time period for establishment of transmission links by the interconnection seeker;*
- (g) Maximum time period for acceptance testing;*

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- (h) Maximum time period for issuance of final commissioning letter by the interconnection provider; and*
- (i) Maximum time period for start of traffic in the POI after provisioning/ augmentation of E1 ports for which payment has already been made.*

VMOBI Response:

- (a) Minimum number of E1 ports for start of service: 2 E1s, unless the interconnection seeker already has a substantial customer base and hence a requirement for higher number of E1s*
- (b) Maximum time period for issuance of demand note by the interconnection provider: 15 days from the signing of the interconnection agreement*
- (c) Maximum time period for payment for demanded E1 ports by the interconnection seeker: 7 days*
- (e) Space allocation for collocation of transmission equipment: Space must be provisioned within 30 days of signing the interconnection agreement*
- (f) Maximum time period for establishment of transmission links by the interconnection seeker: 30 days from the signing of the interconnection agreement*
- (g) Maximum time period for acceptance testing: 15 days from confirmation from interconnection seeker*
- (h) Maximum time period for issuance of final commissioning letter by the interconnection provider: 7 days from completion of acceptance testing*
- (i) Maximum time period for start of traffic in the POI after provisioning/ augmentation of E1 ports for which payment has already been made: 15 days from date of final commissioning letter*

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

VMOBI Response:

Augmentation of ports must be entirely based on capacity required on both sides. Both TSPs must ensure QoS parameters of TRAI are met. They must also ensure that all calls of their respective customers can be completed on each others network. Hence augmentation can be done at STM-1 levels if the capacity needed justifies it.

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

VMOBI Response:

At anytime the number of ports sought could be keeping in mind a certain maximum buffer over peak usage in the completed last quarter. We recommend a buffer of at least 20% over peak usage. If a interconnection seeker would like a larger number of ports than a 20% buffer over peak usage in the last quarter they must substantiate it with actual numbers of growth in customer base by showing TRAI the number of customers being added by them daily. As such with the provision of being able to interconnect over IP networks, capacity can be dynamically increased or decreased at a substantially lower cost.

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

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VMOBI Response:

Interconnection for fixed line and mobile networks is no different. Especially now with the provision of being able to interconnect between providers over IP networks the cost and complexity involved in interconnections has substantially reduced. We would recommend that the same time periods be applied in provisioning ports across both fixed line and mobile networks.

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

- (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?

VMOBI Response:

1. The timely provision of interconnection agreements is essential to the growth of the telecommunication industry. It is evident from the experience of VMOBI as an interconnection seeker that interconnection providers i.e. incumbent TSPs, who are obviously competitors in the same market have no desire or commercial reason or incentive to provide interconnection seekers such as VMOBI, fair, reasonable and non-discriminatory interconnection agreements in a timely manner.
2. Interconnection Agreements with New TSPs have been deliberately blocked by incumbent TSPs as a commercial strategy to ensure that they do not have to compete against such New TSPs. Further, as mentioned in news reports for the last few months with respect to the Reliance Jio and their request for augmentation of interconnect ports with incumbent TSPs, that incumbent TSPs have violated the terms of their Licenses by not providing augmentation of ports in a timely manner as well.
3. Currently, the incumbent TSPs can block interconnection, provision of POIs and augmentation of POIs with impunity without a financial burden being placed on them. Therefore, there is an urgent need for TRAI to levy punitive financial disincentives on incumbent TSPs in the event they fail to (a) provide interconnection agreements in a time bound manner; (b) provide initial POIs to interconnection seekers; (c) augment POIs within the stipulated time frame; and (d) for violation of other terms of the regulations and their license.
4. We would recommend a punitive financial penalty of **INR 5,00,000/- (Rupees Five Lakh Only) per day** of violation of the above mentioned aspects of the interconnection framework. Only upon the inclusion of such punitive financial disincentives, shall incumbent TSPs begin complying with the terms of their License and the Interconnect Regulations.

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?

VMOBI Response:

Access to Access Interconnect Agreement –

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1. It is our opinion that in Access to Access Interconnect Agreements, there should be no Bank Guarantee levied by the Interconnection provider on the Interconnection seeker as traffic is intended to flow both ways. However, taking into account the fact that in the initial term of the interconnect agreement there would be a larger volume of traffic terminating on the network of the Interconnection provider than the volume of traffic terminating on the network of the Interconnection Seeker. Therefore, if Bank Guarantees are to be levied by Interconnection providers on Interconnection seekers, such Bank Guarantees should be fair, dynamic and should accurately reflect the actual call flow between the two interconnecting TSPs.
2. Currently, the Incumbent TSPs are demanding Bank Guarantees in Access to Access Agreements which are arbitrary numbers with no commercial reasoning or logic. For example, certain incumbent TSPs have demanded bank guarantees of INR 11,00,000 (Rupees Eleven Lakh Only) **per E1** in their Access to Access Agreement. If we take 1 POI as an example – 1 POI = 30 E1s (**A**); Minutes in a Day = 1440 (**B**); 1 Month = 30 Days (**C**); Maximum Termination Charge = 14 Paise or INR 0.14 (**D**). If we multiply $A \times B \times C \times D$ we arrive at a number of INR 1,81,440 (Rupees One Lakh Eighty One Thousand Four Hundred and Forty Only), which is the maximum possible IUC payable in a month per POI assuming that all calls will be payable at 14 Paise IUC (which is not the case as 14 paise IUC is only for wireless to wireless access and wireless to wireline and wireline to wireline are 0 Paise). This amount of INR 1,81,440 per month will also be set-off against calls terminated from Interconnection provider to Interconnection seeker.
3. Therefore, taking into account the aforesaid example, even if we take the average billing for 1 quarter to be the rational Bank Guarantee amount i.e. $INR\ 1,81,440 \times 3 = INR\ 5,44,320$ (Rupees Five Lakh Forty Four Thousand Three Hundred and Twenty Only), per POI. The difference between this rational amount and the amount being demanded by the TSPs displays that the Bank Guarantees being demanded by the TSPs has no commercial or rational logic and is being demanded with the sole intent of blocking effective interconnections between themselves and the New TSPs.
4. Therefore, in Access to Access Interconnect Agreements we suggest the following basis for fixing of Bank Guarantees – The Interconnection Provider is given a Bank Guarantee of INR 10,00,000/- **PER POI and not per E1** for the initial 2 to 3 months of the term of the Interconnect Agreement. Thereafter, on the basis of actual call flow, the Bank Guarantee amount should be reduced to such number which is an accurate reflection of the average quarterly billing between the two TSPs.

ILD/NLD to Access Interconnect Agreement

5. As the termination charge for international calls is at 53 paise or INR 0.53, it would be commercially feasible to provide higher bank guarantees in an ILD/NLD to Access Interconnect Agreement situation.
6. Therefore, it is our suggestion that the Interconnection Provider is given a Bank Guarantee of INR 25,00,000/- per POI for the initial 2-3 months of the term of the Interconnect Agreement. Thereafter, on the basis of actual call flow, the Bank Guarantee amount should be reduced to such number which is an accurate reflection of the average quarterly billing between the two TSPs.

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7. After rationalization of the Bank Guarantees, if the New TSP still does not furnish the Bank Guarantee to the Incumbent TSP, the Incumbent TSP should have the right to suspend the POIs of such New TSP.

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

VMOBI Response:

1. Both TSPs must exchange their Call Data Records (CDRs) by the 7th of the month for all calls originating from TSP A's network and terminating in TSP B's network and vice versa. Such CDRs should also record the originating and terminating numbers, the originating and terminating type of call i.e. wireline, wireless, Fixed Wireless Access (FWA), internet telephony.
2. Once CDRs have been exchanged between the two TSPs, each TSP should provide their calculation of the final amount payable on the basis of the CDRs exchanged within a period of 3 days from exchange of the CDRs.
3. All undisputed amounts should be paid within a period of 7 days from the intimation of the amounts payable by the two TSPs. In the event of a disputed amount, the same must be first attempted to be resolved between the TSPs within 15 days of intimation of the disputed amount. If the disputed amount is not resolved within the said period of 15 days, the dispute may thereafter be resolved by recourse to arbitration.
4. Any undisputed amount not paid by the TSP within the stipulated time period, should be chargeable with penal interest at the rate of 2% per month, including such disputed amounts which have been ordered to be paid by the arbitral tribunal.

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?

VMOBI Response:

1. The requirement for service-specific POIs originates from the requirement to distinguish between the type of calls terminating on a TSPs network as different type of calls have different IUC charges. However, with enhanced CDRs the same objective can be achieved without the requirement of having service specific POIs.
2. This may be done as follows – As mentioned in response to Q17 above, each TSP must maintain CDRs which record the originating and terminating numbers, the originating and terminating type of call i.e. wireline, wireless, Fixed Wireless Access (FWA), internet telephony. Once these CDRs are exchanged at the end of the month, the IUC payable would be easily determined and there would be no requirement to resort to service specific POIs and the POIs can be made service agnostic. This would increase the efficiency of the network and also achieve the purpose of being able to determine the correct type of call for the purpose of determining the final IUC bill.

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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?

VMOBI Response:

1. Service Specific POIs require the originating access service provider to terminate calls on specific POIs based on the nature of the call. This would require the originating access provider to terminate their mobile calls on a designated POI, their wireline calls on another POI and their FWA calls on a third POI. Further, having such designated POIs does not eliminate or prevent traffic manipulation by the TSPs and does not necessarily enhance the ability of discovery and penalization of the same.
2. As mentioned earlier, merging POIs would result in efficient use of resources and the networks, further coupled with CDRs in the manner as discussed in response to Q18, would enable greater opportunities for detection, discovery and penalization of any traffic. Detection and discovery can be conducted by relying on random checks, deploying automated bots as well as consumer complaints received TRAI.
3. Further, there is a requirement in any event, to provide for the right for any of the TSPs to call for an independent third party audit of the technical and financial systems put in place by an interconnecting TSP for generating their CDRs. Such third party audit would be able to detect both technical manipulations of calls and discrepancies or purposeful manipulations of CDRs over the preceding 6 months.
4. In the event any deliberate misreporting or manipulations are found by an originating access service provider on the terminating access service provider, there may be a penal amount charged by such terminating access service provider up to 300% of the IUC payable on the calls found to be deliberately manipulated or misreporting. Further, TRAI may take cognizance of the same and levy a penalty of up to INR 1,00,00,000/- (Rupees One Crore Only) for each instance of proven deliberate manipulation.
5. Further, such audits would also be able to determine if there are any software problems or technical deficiencies in the systems put in place by the TSPs which are resulting in unintentional errors and mistakes in the CDRs. If such unintentional errors and mistakes are found, such calls which were incorrectly reported should attract a penalty amount payable to the terminating access service provider up to 150% of the IUC that would have been payable on such incorrectly reported calls.

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

VMOBI Response:

1. Yes, there is an urgent need to establish a framework for an Interconnect Exchange. An interconnect exchange would help significantly in speeding up the process of Interconnection as a New TSP would not have to negotiate individual interconnect agreements with each TSP, who being their competitors, have no reason to cooperate.

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2. Given the amount of delays experienced in obtaining interconnect agreements, the Interconnect exchange will remove all bilateral interconnect issues and remove a significant entry barrier into the telecommunication industry and thereby opening up the telecommunication industry to newer players, which will enhance competition and benefit the final end consumer.

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?

VMOBI Response:

1. It is correct that the new NLDO authorization permits the carriage of Intra-circle calls by an NLDO. However, it is our experience that Interconnect Agreements being offered by Access Service Providers with NLDOs, currently explicitly bar the carriage of intra-circle and limit the scope of the agreement to only carriage of inter-circle calls which goes against the provisions of the Unified License as well as the NLDO Authorization under the Unified License.
2. If TRAI is able to ensure that NLDO-Access Interconnect Agreements provide for carriage of Intra-circle traffic as well, there would be no need to provide for a separate framework for Interconnect Exchanges as the NLDO itself would be able to transit such Intra-circle traffic and in effect would play the role of an interconnect exchange in eliminating the issues involved in bilateral interconnect agreements.

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

VMOBI Response:

1. Yes, in line with the response to Q22, there is no reason to disallow access providers from transiting intra-circle traffic. In fact, BSNL and MTNL as access providers are permitted to transit intra-circle traffic and such a right should be given to all access providers.
2. Allowing access providers to transit intra-circle traffic will result in many benefits for the telecommunication industry and solve many technical and legal problems faced under the bilateral interconnection framework. It will result in greater market competitiveness by reducing the time period taken in obtaining bilateral interconnections as the access provider will no longer have an incentive to deny interconnection to a new TSP as the New TSP would be able to transit the traffic using another access provider. Similarly, there would be an increased incentive to augment capacity efficiently and immediately as the traffic may be transited through another access provider if augmentation is not done in a time bound manner.

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

VMOBI Response:

1. A TSP should be permitted the extreme action of disconnecting a POI only upon getting a notice from the TRAI or the DoT to do so. Currently, under the present inter connect framework, the TSP may disconnect a POI for a number of reasons without any reference to the interconnecting TSP and it is our opinion that no TSP should not be permitted to disconnect a POI unilaterally.
2. If the TSP believes that the interconnecting TSP has violated either the terms of the interconnect agreement or any provision of the license, its authorizations or applicable law, it should be able to make a reference to TRAI in a stipulated time period and ONLY if TRAI permits the disconnection of the POI, should the TSP have a right to disconnect an interconnecting TSPs POI.
3. In the event of a non-payment by the Interconnecting TSP of an undisputed IUC bill, should a TSP have the unilateral right to only SUSPEND the POI of the interconnecting TSP which can be resumed as and when the interconnecting TSP pays the undisputed IUC amount. In the event of a legitimate dispute over the amount payable as IUC the TSP should not have the right to either suspend or disconnect the POI, pending resolution of the disputed IUC amount either through consultation or arbitration.

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?

VMOBI Response:

1. Yes, there is an urgent need to have a coordination committee to facilitate effective and expeditious interconnection between TSPs. The Committee should have TRAI officers from different departments, dedicated to ensuring that the interconnection process is streamlined and smooth.
2. The Committee should be empowered to intervene if deadlines mentioned in Response to Q10 are not met by any TSP and compel the TSP to meet the deadlines by imposing financial penalties on the TSP whenever the deadlines are not met.

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