



**Telecom Regulatory Authority of India**



**Recommendations on  
Full Mobile Number Portability  
(Pan-India Number Portability)  
(Response to reference received from Department of  
Telecommunications on recommendations of 25<sup>th</sup> September, 2013)**

New Delhi, 21<sup>st</sup> July, 2014

Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
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## **Chapter I: Entry fee, PBG, FBG for implementing Full Mobile Number Portability**

### **Background**

1.1 In accordance with the provisions contained in the National Telecom Policy-2012 regarding “One Nation- Full Mobile Number Portability”, the Authority had received a reference from the Department of Telecommunications (DoT) vide its letter dated 27<sup>th</sup> Dec 2012, seeking the recommendations of the Authority under TRAI Act for full Mobile Number Portability i.e. MNP across licensed service areas.

1.2 After consultation with stakeholders and examination of various issues, the Authority gave its recommendations on ‘Full Mobile Number Portability’ to the DoT on 25.09.2013.

1.3 Now, the DoT vide its letter dated 02.07.2014 (**Annexure**) has conveyed the acceptance of the said recommendations and has requested the Authority to give its opinion for additional entry fee, Performance Bank Guarantee (PBG) and Financial Bank Guarantee (FBG) to be charged from the existing Mobile Number Portability licensees for enhancement of scope of their license.

1.4 The response of the Authority is discussed in the following paragraphs

### **Entry Fee :**

1.5 Full Mobile Number Portability (Pan-India Number Portability) is not a new service but is an extension of existing facility by which a subscriber will be able to port his number to a different Licensed Service Area (LSA) also.

1.6 The present MNP service licences were awarded by the DoT in March 2009. Prior to signing of the licence agreement, a One-time, non-refundable, Entry Fee of Rs. 1 (one) Crore was paid by the existing Mobile Number Portability Service Providers (MNPSPs) viz. M/s Syniverse Technologies (India) Pvt. Ltd. for MNP Zone I and

M/s MNP Interconnection Telecom solution India Pvt. Ltd for MNP Zone II.

1.7 Entry fee is paid by a licensee when either it gets the licence for the first time or the validity of its licence expires. In the present case, full MNP is proposed to be introduced due to a unilateral policy decision taken by the Government after entering agreement with the present MNP licensees. The existing MNPSPs have still around 5 years before their licenses' validity expires. As far as enhancement of scope of these licenses is concerned, the mobile numbers which will be processed by the MNPSP in case of Pan-India number portability, will be limited to the number ranges belonging to its zone only. Further, the facility of Full MNP is useful only for the subscribers who will migrate to different service area for a considerable long time. Therefore, the potential subscribers using the Full MNP facility would be very small as compared to the intra-circle portings. However, implementation of Full MNP will involve certain cost to MNPSPs due to changes required in the software and modifications in the existing processes. In addition, inter-operator and acceptance testing also involve man power cost and testing fees payable to the DoT.

1.8 Presently, the revenue source for these service providers are only the per port transaction charge of Rs. 19/- received from the Access Providers. They are dependent on the porting volumes alone to recover this cost and earn profits. As the porting volumes for full MNP is not evident, recovering the cost for modifications is already a concern to them.

**1.9 Therefore, the Authority is of the opinion that there seems no justification for any enhancement of Entry Fee for Mobile Number Portability licensees for implementing Full Mobile Number Portability. The Authority recommends no enhancement of Entry fee for MNP licensees.**

#### **Performance Bank Guarantee (PBG):**

1.10 As per the condition of MNP licence, Performance Bank Guarantee (PBG) of Rs. 1 crore valid for two years is required to be submitted before signing the Licence Agreement. On completion of one year of MNP implementation for all the licensed service areas of the licensed MNP zone, except those specifically restricted by the DoT, 50% of the PBG amount shall be released while remaining 50% of the PBG shall be released after the expiry of the license period.

1.11 During consultation with MNPSPs, it was brought to the notice of the Authority that the 50% PBG amount deposited with the DoT at

the time of award of licence has not been released by the DoT till date. As such, presently, the PBG of Rs. One crore is with the DoT.

1.12 The PBG is taken by the licensor from the licensee to ensure agreed performance in the provision of service. As both the MNPSPs are successfully providing service for the last three years, the issue of taking additional PBG does not arise.

**1.13 Therefore, the Authority is of the view that the PBG for the MNPSPs should be continued as per the existing license conditions. An amount equal to 50% of PBG i.e. Rs. 50 lac may be kept till the end of their licence period and any excess amount pending with the DoT should be released immediately.**

**Financial Bank Guarantee (FBG):**

1.14 As per the conditions of MNP licence, both the MNPSPs submitted a FBG for an amount of Rs. 2 crore each valid for three years. Subsequently, as per the license agreement, the amount of FBG equivalent to the license fee for two quarters and other dues not otherwise securitised and any additional amount as deemed fit by the Licensor is submitted by the licensee. The MNPSPs have informed the Authority that presently the FBG equivalent to license fee for two quarters is with the DoT.

1.15 Since the MNPSPs are already providing MNP service for intra-circle porting in their respective zones and the licensee is required to keep FBG equivalent to licence fee of two quarters, any increase in the revenues due to Pan India number portability will proportionately increase the requirement of furnishing FBG of higher value for the licensees. Therefore, **the Authority recommends that the existing FBG equivalent to license fee for two quarters shall be continued.**

## **Chapter II : Summary of Recommendations**

- I. The Authority recommends no enhancement of Entry fee for MNP licensees for implementing Full Mobile Number Portability.
- II. The Authority is of the view that the PBG for the MNPSPs should be continued as per the existing license conditions. An amount equal to 50% of PBG i.e. Rs. 50 lac may be kept till the end of their licence period and any excess amount pending with the DoT should be released immediately.
- III. The Authority recommends that the existing FBG equivalent to license fee for two quarters shall be continued.

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Department of Telecommunications  
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Sanchar Bhawan, 20, Ashoka Road New Delhi - 110 001

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Dated: 02.07.2014

To

The Secretary,  
Telecom Regulatory Authority of India,  
Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg, (Old Minto Road)  
New Delhi - 110002

Subject: Reconsidered opinion of TRAI on its recommendations dated 25.09.13 on Full Mobile Number Portability.

Sir,

This has reference to recommendations dated 25.09.2013 of Telecom Regulatory Authority of India (TRAI) on the subject of "Full Mobile Number Portability". It has been decided to accept these recommendations including recommendation of entrusting the work of full mobile number portability to existing two Mobile Number Portability Service Providers by changing the scope of their licenses and not introducing any new MNP licensee.

However, TRAI is requested to give its re-considered opinion in terms of fifth proviso to TRAI Act 1997 as amended in the year 2000 for additional entry fee, Performance Bank Guarantee (PBG) and Financial Bank Guarantee (FBG) to be charged from the existing Mobile Number Portability licensees for enhancement of scope of their license.

Yours Sincerely



(P.C.Sharma)

Director(AS-II)