

PROVISIONAL RESPONSE

Comments of ISPAI on TRAI's Consultation Paper on Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations

- Q1. Cost data and costing methodology used for estimating the access facilitation charges and co-location charges in this consultation paper. In case of a different proposal, kindly support your submission with all relevant information including cost and preferred costing methodology.**

Comments

We agree, in general principle, with the costing methodology/approach adopted by TRAI for estimating the access facilitation charges /Co-location charges. We believe that the costing methodology is in line with the most prevailing norms of similar Segment Industries & thus robust.

Further, TRAI has noted in para 13, that there is only one passive element i.e. Optical Distribution Frame (ODF) which is required for the provisioning of access facilitation at 10G level or any other level which is provided by the consortium and two OCLSs i.e. established players also agree with this point of view .

In view of above, we support the TRAI's costing methodology for estimation of AFC and further suggest that the DXC and its cost should be excluded from the cost model and final charges for access facilities at cable landing station may be finalized at that which may be comparable with other similar competitive telecom market in other jurisdictions.

- Q2. On the power requirement of the transmission equipment i.e. DWDM, DXC equipped with different capacities, supplied by different equipment manufacturers.**

Comments

We believe that up-to 6 KVA is acceptable for a DWDM/DXC., however Members shall submit their final rating after consultation with the respective teams of their companies. Under Discussions

Q3. Percentage used for OPEX and capacity utilization factor with supporting data on each OPEX item specially on space and power consumption of various equipments.

Comments

OPEX percentage

It is understood that the **percentage (30%) used for OPEX by TRAI has duly taken into consideration appropriately the prevailing norms for this segment towards estimation of charges of access facilities at cable landing stations, however it is suggested to re-examine / relook into this aspect, as it appears that it is not in line with industry norms of similar Telecom Industries.**

Few members expressed their concerns on this & they wanted to cross check with their respective management teams. Shall submit response after that.

Capacity utilization factor

We have noted that capacity utilization factor taken by TRAI is in line with best international regulatory practices;

Final position to be discussed more

Q4. Whether ceiling of uniform Access Facilitation Charges may be prescribed for all Cable Landing Stations in two categories i.e. AFC at CLS and AFC at

alternate Co-location, or these charges should be dependent on submarine cable system or location of cable landing stations?

Comments

TRAI has very rightly noted in Para 22 of the consultation paper that “work done for access facilitation at cable landing station is the same for all cable landing stations. Therefore, it may not be required to estimate the cost based charges separately for each cable landing stations. The only variation could be due to space and electricity charges if the cable landing stations are located at two different cities, which may be a small portion of total costs. In case of access facilitation at Meet Me Room (MMR) the difference could also be because of length of optical fiber link between CLS and MMR”.

Final Recommendation to be made after final meeting.....

Q5. Whether prescribing the access facilitation charges on IRU basis is required?

Comments

We believe that AFC on IRU basis is required. However, it needs cross checking..... To be commented after final deliberations.

Q6. Whether uniform co-location charges may be prescribed or such charges should be location dependent?

Comments

Awaiting final comments.....

Q7. Whether the restoration and cancellation charges should be either a fixed charge or based on a percentage of the AFC. In case of fixed charge, should the present charges be continued or need revision?

Comments

We believe that existing charges are on higher side. We understand that restoration / cancellation is equivalent to plug-in or plug-out for connection or disconnection for any circuit.

Further comments to be finalized after the next meeting.....

8. Any other comment related to Access Facilitation Charges, Co-location charges and other related charges like cancellation charges, restoration charges along with all necessary details.

Comments

During the consultation process, the stakeholders also commented in favour of review of the charges between every 1-2 years. But an amendment to this effect is not visible in the amendment to the CLS regulations, 2012.

Some views have been expressed for 3 years Further deliberations to be made.