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AGNSI/TRAI/I&FN/CLS-CP/2012-13

November 6, 2012

Shri Arvind Kumar
Advisor (Network, Spectrum & Licensing)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, (Old Minto Road),
New Delhi – 110 002

Subject: Consultation Paper [No. 14/2012 dated October 19, 2012] on Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations

Ref.: TRAI letter No. 416-3/2010-I&FN dated 5th September 2012
TRAI letter No. 416-3/2010-I&FN dated 4th April 2012
TRAI letter No. 416-3/2010-I&FN dated June 22 2011
TRAI letter No. 416-3/2010-I&FN dated July 8 2011
Our letter No. AGNSI/CLS/2011-12 dated August 16 2011
Our letter No. AGNSI/TRAI/I&FN/CLS-CP/2012-13 dated April 19,2012
Our letter No. AGNSI/TRAI/I&FN /2012-13 dated September 18,2012

Dear Sir,

This is with reference to the captioned Consultation Paper [No. 14/2012] released by Hon'ble Authority on 19th October 2012.

At the outset, we would like to sincerely thank the Hon'ble Authority for issuing the amendment on the International Telecommunication Access to Essential Facilities at Cable Landing Stations (Amendment) Regulations, 2012 as well as for the captioned consultation document. AT&T Global Network Services India Private Limited ("AT&T") respectfully submits these comments on the TRAI Consultation Paper on Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations, issued on 19th October 2012 (the "Consultation Paper").

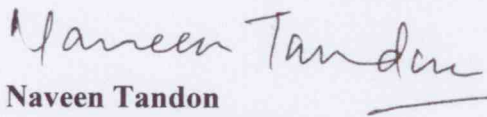


Additionally, through our industry association "ACTO", we have also submitted detailed inputs on the below mentioned questions which we fully support.

We trust you will find our submissions in order and will duly consider the same while finalizing and determining the charges.

Thanking you,

Respectfully submitted,
for **AT&T Global Network Services India Private Limited**

A handwritten signature in cursive script that reads "Naveen Tandon".

Naveen Tandon
Authorised Signatory

Encl.: As above

**Comments of AT&T on the Consultation Paper on
Estimation of Access Facilitation Charges and Co-location Charges
at Cable Landing Stations**

Introduction and Summary

AT&T Global Network Services India Private Limited ("AT&T") respectfully submits these comments on the TRAI Consultation Paper on Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations, issued on October 19, 2012 (the "Consultation Paper"). AT&T is licensed to provide National Long Distance (NLD), International Long Distance (ILD) and Internet Service Provider (ISP) services in India and began providing these services in 2007.

Access to submarine Cable Landing Stations (CLS) is an essential network element for almost every telecom network services requiring international connectivity, and access barriers to these facilities can constrain the competitiveness of telecom operators and harm the growth of the international telecom market. AT&T's comments filed on April 19, 2012 on Consultation Paper No. 08/2012 noted that CLS access charges continue to be unreasonably high and result in artificially inflated prices for international services in India. AT&T urged the TRAI to address these important concerns by requiring access facilitation charges (AFC), operations and maintenance charges (O&M) and co-location charges (CLC) to be established by the Authority on the basis of cost. Other parties in the proceeding, including owners of cable landing stations as well as service providers and other interested parties, made similar recommendations.

AT&T therefore welcomes the Authority's decision to amend its regulations to change the existing procedures for the establishment of access facilitation charges (AFC) and to provide for the determination of these charges by the Authority. (*See Notification, International*

Telecommunication Access to Essential Facilities at Cable Landing Stations, (Amendment) Regulations, 2012 (No. 21 of 2012), October 19, 2012.) In accordance with this approach, the Authority has analyzed cost data submitted by the OCLS to determine these charges and requests comment on its analysis and proposed charges as described in the Consultation Paper. AT&T strongly supports the Authority's efforts to establish more reasonable and cost-based access charges for these key facilities, and is pleased to offer some suggested amendments to these proposals that would further benefit the Indian market. AT&T's major suggestions are as follows.

First, AT&T believes that the Authority should require additional access facilitation arrangements to be made available that do not require the use of, or include charges for Digital Cross Connection (DXC) equipment, ODF equipment associated with the DXC, and Dense Wave Division Multiplexing (DWDM) equipment that is not required as a technical matter for all these arrangements but which accounts for substantial shares of the access costs identified in the Consultation Paper. This amendment would be in accordance with the Authority's regulation requiring that the AFC shall be "determined on the basis of the cost of the network elements involved in the provision of access." (*Access to Essential Facilities at Cable Landing Stations Regulations, 2007 (5 of 2007), Chapter II, Paragraph 10(1)(b).*)

Second, based on industry norms for these charges, operations and maintenance charges (OPEX) should not exceed 7 percent of capital costs (CAPEX) for complex active equipment and no higher than 2 percent of CAPEX for passive equipment. Establishing OPEX charges at the level of 30 percent of CAPEX for both active and passive equipment, as proposed by the Consultation Paper, would far exceed any reasonable level of cost for these services.

