

The Secretary,
Telecom Regulatory Authority of India,
New Delhi.

6th November, 2012

Dear Sir,

Subject : Comments on TRAI's Consultation paper on "Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations" dated 19.10.2012

We would like to thank the Hon'ble Authority for issuing the amendment on *the International Telecommunication Access to Essential Facilities at Cable Landing Stations (Amendment) Regulations, 2012* and also for inviting response to the consultation paper on *Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations*

We believe that after passing the amendments, the AFC and CLC will be more in line with the other international markets.

We are pleased to submit our response to issues raised in the consultation paper dated 19th October 2012.

Yours Faithfully

S.N. Gupta

Enclosed : A/A

Comments 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 with the costing methodology/approach adopted by TRAI for estimating the access facilitation charges /Co-location charges as have been indicated in the various tables under the present circumstances. We believe that the costing methodology is robust.

We note that the issue of inclusion of DXC has also been examined by TRAI in various paragraphs under the heading of “Identification of network elements” of its consultation Paper. In para 13, TRAI has noted 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. BSNL and Reliance are also agree with this point of view .

We note that in the study paper of M/s Venture Consulting of April, 2012 filed by M/s Vodafone during its response to the consultation paper on CLS dated 22.3.2012 which also confirms that there is no need for DXC to provide the access facilitation at cable landing station.

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 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 recommend that up-to 6 KVA is acceptable for a DWDM/DXC.

- 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 appears that the percentage (30%) used for OPEX for this segment for estimation of charges of access facilities at cable landing stations is too high and not in line with industry norms of this segment.

Capacity utilization factor

We note that capacity utilization factor taken by TRAI is in line with industry practices; therefore we support the capacity utilization factor of 70% for estimation of AFC.

- 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”.

We support the TRAI's view noted in Para 22 and recommend that the ceiling of uniform cost based access facilitation charges should be prescribed by TRAI for AFC at CLS and alternate collocation in all cases.

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

Comments

We suggest that AFC on IRU basis is essential. It will allow the standalone access seekers (ISPs/ILDOs) to match the contracts looking for IRU Contract term.

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

Comments

We suggest that TRAI must prescribe the location based range or band for the collocation charges based on cost oriented principle.

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. Therefore, we recommend that the present charges should be revised to the tune of Rs. 10.000/ per instance of restoration / cancellation.

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 :No specific comments