Counter Comments of Vodafone India on Interconnection Usage Charges (Dec 2014)

Part-I -General counter comments

1. At the outset, we submit that we do not agree with the comments, suggestions, recommendations and various rationales given by the Reliance Jio infocomm Ltd (RJio), Reliance Communications Ltd (RCOM), Sistema Shyam TeleServices Ltd (SSTL), Quadrant Televenture Ltd (QTL) and Videocon Telecommunications Ltd (Videocon) regarding the implementation of Bill and Keep Regime (BAK), with or without glide path as well as Pure-LRIC for termination rates under the present CPP- IUC regime.

2. The above stakeholders have failed to put forward any evidence of market failure under the CPP- IUC regime in India that as per them warrants such a drastic regime change. We are surprised at such recommendation when the world and Indian consumer have witnessed the success of the extant regime post migration from RPP regime to CPP in 2003.

3. We are also not able to appreciate the opinions of two experts i.e. M/s Ovum, UK and M/s Detecon International, Germany (a subsidiary of Deutsche Telecom, Germany) on the issues of BAK and implementation of Pure-LRIC etc. for MTC in India. It appears that these experts have provided their opinions without detailed examinations of Indian telecommunications market and present regulatory & legal framework. It is important to highlight that some of the inferences within their own reports/opinions are contradicting and certain facts seem to have been wrongly understood in Indian context (we have provided reasons for the same later in this response). Therefore, the recommendations and comments of the said telecom service providers/ Experts are not tenable under the present regulatory framework of IUC.

4. We note that there are more than 45 comments from various NGOs/Individuals/Trusts etc. who have suggested BAK regime. We believe that these stakeholders have failed to appreciate the benefits of a cost-based IUC/MTC regime and also not considered the detrimental impact on marginal and rural consumer if BAK were to be implemented.

5. We further submit that the stakeholders advocating pure-LRIC in India have also failed to appreciate the Indian telecom market dynamics and socio-economic factors, which are very different to many advanced countries with high levels of fixed penetration, mature telecom markets, high urbanization and teledensity, with high levels of postpaid subscriptions, significant regional differences in MTRs across EU. The underlying dynamics in these markets are fundamentally different and cannot be compared to the current situation of the Indian market.

6. We do not agree with the comments of Telewings (Uninor) and Aircel on Pure-LRIC and relevant OPEX Models respectively, for Mobile Termination Rate, as explained in Part-II of this response.

7. We strongly believe that under the present CPP- IUC Regime, the cost based approach on work done principle is most appropriate to achieve the stated policy objectives of the Government of India and framework provided under the preamble of TRAI Act.

8. It is important to note that in the year of 2010, **China and Sri-Lanka (our neighboring countries) have switched from BAK to CPP regime for Mobile Termination Charge**. Moreover, we also note from the Ovum/RJio's report that within three years (2010-2013), China has increased its MTC by 87% on 2010's MTC, presently China's MTC[1] is US$0.007 (RMB0.04) which is 75% more if compared with India's MTC i.e. US$ 0.004 (Rs. 0.20/ per Minute).

9. In the recent Years, two leading telecom regulators in Asia Pacific region i.e. Australia (ACCC) in 2011/2014 and Malaysia (MCMC) in 2011/2013 have not accepted the Pure-LRIC approach for determination of MTC in their respective countries.

10. The OECD's report on "Development in Mobile Termination", 2012[2] has noted that around the world, India has lowest MTC amongst 38 countries listed therein.

11. We further note from ACCC's discussion paper[3] that China's MTR is 287% higher compared to India's MTR.

Particulars	India	China	Difference
	(in AUD cents/ minute)		
MTR	0.176	0.681	287%
Source: ACCC/Ovum, August 2014			

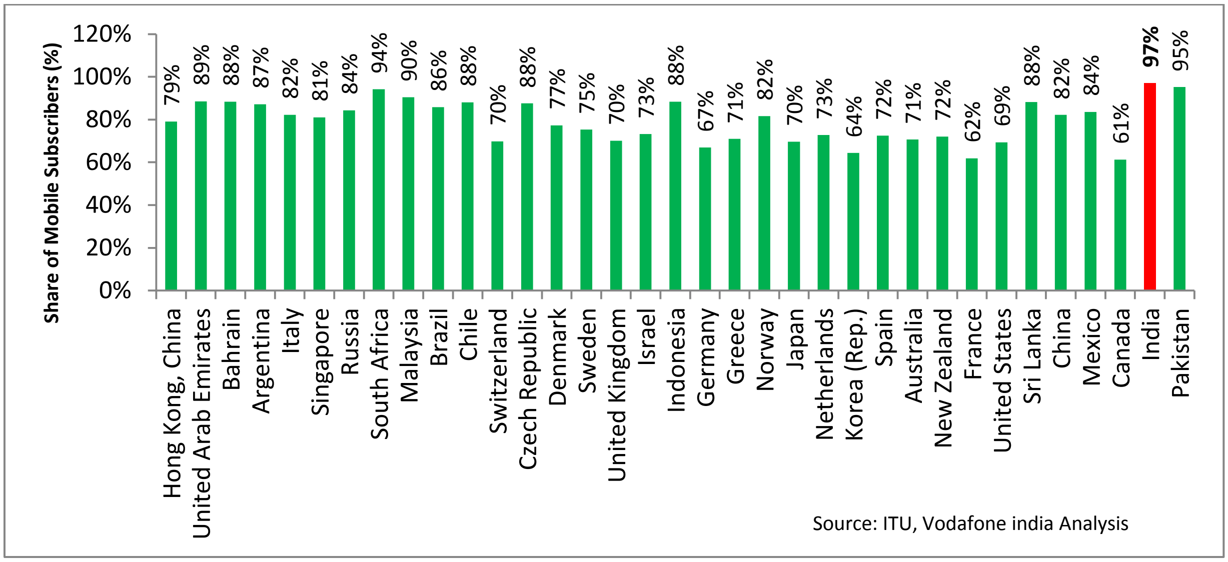
12. We also note that India's MTC is 10% of World Average MTC i.e. World Average MTC was US$.0413 in Oct 2012 whereas India's was US$0.004. It is important to highlight that most of these countries are following the Forward Looking Long Run Incremental Costing (FLLRIC) approach, and, despite that, their MTCs are much higher if compared with India's MTC. (Please refer to **Annexure –I to our response**)

[1] MTC rate of China Mobile

[2] Source: OECD (2012), "Development in Mobile Termination", OECD Digital Economy Papers, No 193, OECD Publishing.

3 ACCC's discussion paper on Mobile Terminating Access service, August 2014

13. We do not agree with the assertion made by a few stakeholders that cost of spectrum should not be part of MTC. As Spectrum is fundamental to mobile telecommunication, more so relevant in India where 97% of subscriber base is wireless (**refer chart below**); and further, being a 'scarce' natural resource, the cost of using this resource must be reflected in interconnection pricing. Including the Spectrum is the right economic approach.



14. India is home to highest rural population (in absolute terms), and in terms of telecom, one of the highest wireless subscription (97%), dominated by prepaid (>90% prepaid), with negligible fixed penetration (that too dropping drastically). Also, economies having BAK in vogue have significantly different socio-economic levels and telecom parameters compared to India (refer charts shown by us in **Annexure-V to these submissions**)

15. With significant marginal/rural population dependent upon incoming calls than outgoing calls, MTR is crucial to sustain connectivity for such rural poor.

16. Further, a move towards BAK would likely to have significant impact on such cost conscious and low usage consumer as naturally the cost that the calling network should have borne basis cost-causality principle, would have to be loaded at retail level. This will suppress the already low/average usage consumer.

17. BAK, by its very virtue due a change in the IUC regime would force a change the way Telcos recover their costs at the retail level (meaning a higher retail charge for the consumer whether rural or urban) –would not only mean disruption for operators, but also directly impact almost 95% (~98% in B & C circles) of India's pre-paid mobile user base.

18. In effect, if migrated to BAK (since costs would not vanish but the recovery mechanism will change); the consumers would surely worry when their bills will increase or due to competition levels the industry would under recover costs.

19. Hence we believe that BAK may have reverse consequence than intended, dampening the rural coverage, usage of rural and marginal consumer and undoing the welfare gains accrued from a progressive CPP-IUC regime over the last decade.

20. A cost based interconnection charging regime is also in sync with majority of global interconnection regimes.

21. We believe that Vodafone India's approach is coherent in relation to the Indian situation. We have assessed the market, identified the issues and proposed a solution i.e.:
    a. Retail prices are too low
    b. Indian MTC is lowest in the world since it doesn't recover relevant costs
    c. Industry is not profitable
    d. Incentive to invest in infrastructure and low-income customers too low
    e. ***Solution*** – implement FAC[4]/ LRI(A)C based MTRs

22. We also submit that the 'experts' and other operators relying on the European experience to justify the same course of action in India, have failed to understand and appreciate the key market dynamics between the two. It must be noted that the market situation in Europe was completely different with:
    a. Retail prices were high
    b. Mobile industry was very profitable
    c. Market was saturated and 2G coverage at near 100% of population
    d. MTRs were not cost-based (in most cases they were significantly above even LRIC+)
    e. Thus, EC decided to implement much lower MTRs in the form of pure-LRIC

23. Therefore, the industry and economic situation of Europe in 2008 which led to pure-LRIC is completely different to India today, and the 'experiment' of implementing pure-LRIC in Europe can be said to be a failure based on the market outcomes that are currently observed

24. In view of above facts, we strongly believe that the Cost based approach on work done principle i.e. FAC- Top down/LRAIC Model is most appropriate under the present circumstances and **there is a urgent need for upward revision of present MTC to Rs.0.35 per minute**.

[4] FAC means that recovers all necessary costs (OPEX + CAPEX) incurred in providing the mobile termination services.

Part-II - Stakeholder-wise counter comments

I. Reliance Jio Infocomm Ltd (RJio)

General

1. We note that Reliance Jio has relied on three documents i.e. Presentation by Ovum, Position Paper on IUC prepared by Detecon (a subsidiary of Deutsche Telecom, Germany) and TRAI's report submitted to the Supreme Court on 29th October 2011.

2. It is important to highlight that Reliance Jio has not provided a single comment on the consultation paper, except to just simply attaching the reports of consultants and TRAI' s report 2011.

3. We reiterate that neither RJio nor the expert firms appointed by them have been able to demonstrate the market failure in absence of BAK regime.

4. It is important to state that the submissions made by the experts (Ovum/ Detecon) do not justify the important issues of coverage and investments though in the cover letter RJio has mentioned these broad objectives.

Ovum's Report

5. We do not agree with the Ovum's recommendations on implementation of BAK and Pure-LRIC in India, since these are wrong inferences drawn on limited facts, figures and Key Performance indicators (KPIs) which have been misunderstood and misinterpreted in the Indian context.

6. We also note that Ovum has relied on TRAI's report which was submitted with Hon'ble Supreme Court on 29th October 2011. We submit that such report had many errors, which were opposed by us and are on record. Further, TRAI's prayer to grant of permission to notify the same was dismissed by the Supreme Court. All the relevant orders of Hon'ble Supreme Court (dated 04.02.11, 15.07.11. 13.04.2011 and 15.10.2014) are attached for your kind reference as **Annexure VI**.

7. We note that Ovum has based its recommendations based on evidence from countries (i.e. USA, Canada, Singapore and Hong Kong) where RPP regime is in vogue and by- default there would be BAK charging for termination rate.

8. Moreover, it is important to note that these countries' telecommunication markets are very different from the Indian telecommunication market, specifically in terms of tele-density, usage profile of subscribers, coverage, rural-urban divide, ARPU, MOU, EBITDA margin and

RoCE etc. that are not comparable, therefore, the recommendations of Ovum is not tenable under the present CPP-IUC regime of India.

9. It is submitted that Ovum has further relied on European countries, where initially MTC was very high (it was determined much above the cost base) and there was a significant difference between MTR and FTR. We understand that to align the MTRs towards the cost base and reduce the difference between FTR and MTR, EC has advised its members to implement the Pure-LRIC Model for MTC. Please refer to **Annexure –III** for MTR-FTR comparison.

10. We note that telecom experts and regulators in APAC region are of the view that Pure-LRIC is generally suited to highly penetrated, mature mobile market and it is not suitable for developing countries. Therefore, Ovum's recommendation on BAK and Pure-LRIC based on European market's trends and experience is not tenable in India. It is important to note that the information available with us suggest that nowhere in Europe any regulators have switched to BAK under CPP regime. The mobile penetration rates in Europe are summarized at **Annexure -IV**

11. We note from the OECD report that still European countries' MTRs are much higher compared to India's MTR even after implementation of Pure-LRIC.

12. We note that there are many factual errors and industry facts have not been rightly reported. There are self-contradicting facts / recommendations. For example in Ovum's report at page no 6, China has been shown under B&K-type arrangements for MTR whereas under the country case studies China has been shown as Calling party Network Pays (CPNP)/CPP and within three years, MTR is shown to have been increased by 87% over 2010's MTR . The analysis is given below;

China MTR Analysis			
Particulars	**2010**	**2013**	**Increase by**
	In US$		
M-F	0.0009	0.007	87.1%
M-M	0.0009	0.007	87.1%
Particulars	**2010**	**2013**	
	In RMB		
M-F	0.006	0.04	85.0%
M-M	0.006	0.04	85.0%
Source: Reliance Jio /Ovum			

13. Most of the "Country Case studies" as indicated in the Ovum report pertain to RPP regime, where there are only 3-5 operators, market is dominated by post paid subscribers; ARPUs are very high in comparison to India. Moreover, Ovum has not compared any financial indicators with Indian Wireless Industry. Ovum has failed to present a true and fair picture of these countries.

Specific issues in Ovum's Report

14. We note that under the heading of **"India mobile termination charges in International context",** Ovum has concluded that

"*India currently has relatively high ratio of mobile termination charge relative to retail price as European regimes move to pure LRIC"*

" *On the basis of a mobile to mobile tariff, the ratio of mobile termination charge relative to retail price in India (20 Paisa/~50 Paisa) is almost 40%, compared to less than 10% in the UK and less than 1% in China".*

Counter comments

I. **We do not agree with the said statement of Ovum/RJio**. We strongly believe that these statements are not correct and are misleading because no corresponding relevant data of foreign countries has been provided. Since the retail fixed to mobile prices are irrelevant in assessing the impact of MTRs on the consumer outcomes in relation to the mobile industry, we do not think that the chart depicting the same has any relevance for MTR comparison in India. Further, the percentage comparisons so provided are misleading and, rather may prove contradictory if absolute figures of mobile retail tariffs are provided.

II. We believe that the conclusion of Ovum has been made without understanding of present costing approach of MTC and financial position of Indian Telecom Industry. In this regard, it is submitted that both charts of Ovum are not providing a true and fair picture of India wireless segment.

III. We note from the various creditable sources that Indian MTR is possibly the lowest in the world. It has been recognized by the OECD and other leading international institutions including the Ovum's The Global Regulation of Mobile termination rates, 11 February 2014[5].

[5] Source: ACCC

IV. As per recent publication of ACCC, it has been noted that India's MTR is significantly lower if compared with European countries and China. India's MTR is a bare 11% of an average of Ovum's selected countries MTR. An analysis is tabulated below;

Comparison of mobile termination charges		
Sl.No	**Countries**	**MTR in AUD Cents/ minute** (as on Jan 2014)
1	India	0.176
2	China	0.681
3	France	1.153
4	UK	1.455
5	Germany	2.581
6	Japan	3.599
Average MTR		1.6075
Source: ACCC/Ovum, OECD and Vodafone-India Analysis		

V. We note that India's MTR as a percentage of ARPM is 40% whereas China's MTR as a percentage of ARPM is 73%. Therefore, Ovum's statement on MTR as percentage of Blended retail mobile price of China (1%) is required further investigation with facts and figures and it appears to be a faulty calculation.

Statement of MTR as percentage of ARPM				
Country	**Currency Unit**	**ARPM**	**MTR**	**MTR% of ARPM**
India	Rs. per minute	0.50	0.20	40%
China	RMB per minute	0.08	0.06	73%
Source: RCOM ,China Mobile/Telecom and Vodafone-India analysis				

VI. **<u>In view of above facts and analysis, it appears that Ovum's conclusions/ suggestions are not tenable in the Indian context.</u>**

15. We note from Recommendations of Ovum on page no 21 where Ovum has suggested – *" Regulate a glide path to BAK" (refer our counter comments below):*

<u>Counter comments</u>

I. We don't agree with such recommendation of RJio/Ovum for implementation of BAK and Pure-LRIC, as we believe that these recommendations have been made on wrong conclusions drawn from the limited facts and figures and are not applicable in Indian context.

II. We are not aware that in the past years, any country which is comparable with India has moved towards BAK from CPP. A detailed analysis is attached in **Annexure –II**.

III. In fact Ovum has failed to highlight that in 2010, one of the largest telecommunications network countries i.e. China has switched from BAK to CPP regime while prescribing MTR under the CPP regime to achieve its policy objectives.

IV. We further note from the OECD report that none of the country where CPP regime is in place in the retail market, that a BAK regime is applied for MTC.

V. It is also noted from recent discussion paper of ACCC[6] that ACCC has concluded that a BAK arrangement may not be ideal. The relevant portion is reproduced below;
"The ACCC also notes that even if traffic is balanced, a BAK arrangement may not be ideal. This is because termination rates reflect the perceived marginal cost to an MNO of providing off-net mobile calls and SMS to its retail customers. A termination rate of zero would mean that the perceived marginal cost to the MNO would be lower than the actual cost of providing the termination services. In such a case, the MNO may set retail prices that are inefficiently low and lead to an over-use of mobile infrastructure, and may lead to costs being recovered in the prices of other services.------ the ACCC did not pursue a BAK approach in the MTAS FAD 2011 inquiry."

VI. With respect to Pure-LRIC we strongly believe that this approach is not relevant for India. We note that the Malaysian telecom regulator has not accepted the Pure-LRIC approach. The relevant portion of its decision[7] is reproduced below;

"The SKMM considers that the Malaysian market is still developing in terms of mobile coverage levels, that <u>interconnection traffic is a significant proportion of total traffic,</u> <u>and increased coverage provides benefits to the originating subscribers terminating on mobile subscribers</u>. In addition, increasing coverage is an important component in the provision of telecommunications services to rural and underserved communities. [Emphasis supplied]

The SKMM's final view remains that a pure LRIC approach is not an appropriate choice for mobile termination costing in Malaysia for the current regulatory review period."

VII. We do not agree with the suggestion of Ovum at Page No. 13 of the presentation that Spectrum should not be considered. As Spectrum is fundamental to mobile

[6] ACCC Mobile termination access service Final access determination discussion paper, August 2014
[7] SKMM Public Enquiry Report Review of Access Pricing, December 2012

telecommunication, more so relevant in India where 97% of subscriber base is wireless; and further, being a 'scarce' natural resource, the cost of using this resource must be reflected in interconnection pricing.

Detecon

16. We do not agree with suggestions/opinions of Detecon, regarding the implementation of BAK and Pure-LRIC in the Indian context. We believe that Detecon has also not presented the true and fair picture of Indian telecom sector and recommendations seem to have been made on inappropriate inferences drawn from limited facts and figures.

17. We would like to mention that Detecon is a subsidiary of Deutsche Telecom (DT), Germany and it is important to highlight that the German Regulator itself has not yet agreed to implement Pure-LRIC in the German market.

In view of above facts, counter comments and analysis we respectfully submit that the RJio's submission including that of the experts i.e. Ovum and Detecon must be ignored.

II. Reliance Communications Ltd. (RCOM)

1. We do not agree with the comments/ recommendations of RCOM for implementation of BAK and Pure-LRIC. RCOM has cited the examples of countries that are not comparable with India.

2. RCOM has suggested for immediate implementation of BAK in light of TRAI's Report filed with Hon'ble SC in 2011. We submit that such report had many errors, which were opposed by us and are on record. Further, TRAI's prayer to grant of permission to notify the same was dismissed by the Supreme Court. All the relevant orders of Hon'ble Supreme Court (dated 04.02.11, 15.07.11. 13.04.2011 and 15.10.2014) are attached for your kind reference as **Annexure VI.**

3. We believe that under the present regulatory framework i.e. CPP regime, BAK cannot be implemented. We are not aware that in the recent past years, any country which is comparable with India has moved towards BAK from CPP. A detailed analysis is attached at **Annexure –II**.

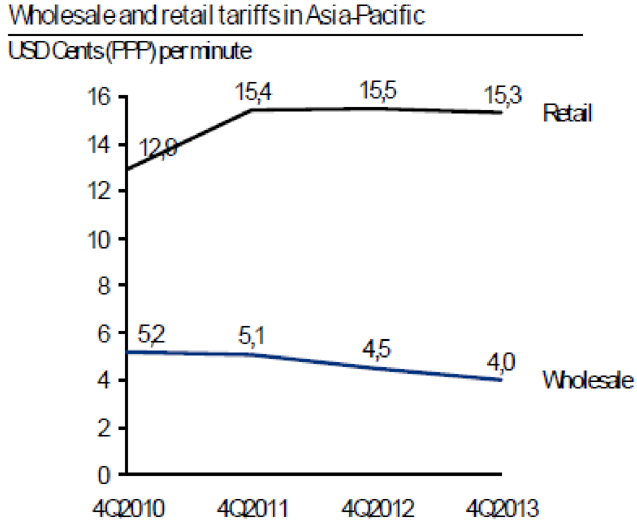
4. We do not agree with the statement of RCOM that "High Termination Charges keep Retail prices artificially high". First of all, India's MTR is significantly lower if compared with European countries and China. India's MTR is a bare 11% of World's average MTRs; an analysis is tabulated below at Table No1. Secondly, we observed that it is not necessary that reduction in the MTR will result in reduction of retail tariffs. The recent reduction in European and Asia-Pacific countries do not support the statement of RCOM (Please refer to Chart No.1 and 2 on next page).

Table No.1

Comparison of mobile termination charges		
Sl.No	**Countries**	**MTR in AUD Cents/ minute**
1	**India**	**0.176**
2	China	0.681
3	France	1.153
4	UK	1.455
5	Germany	2.581
6	Japan	3.599
Average MTR		**1.6075**
Source: ACCC/Ovum, OECD and Vodafone-India Analysis		

Chart No.1

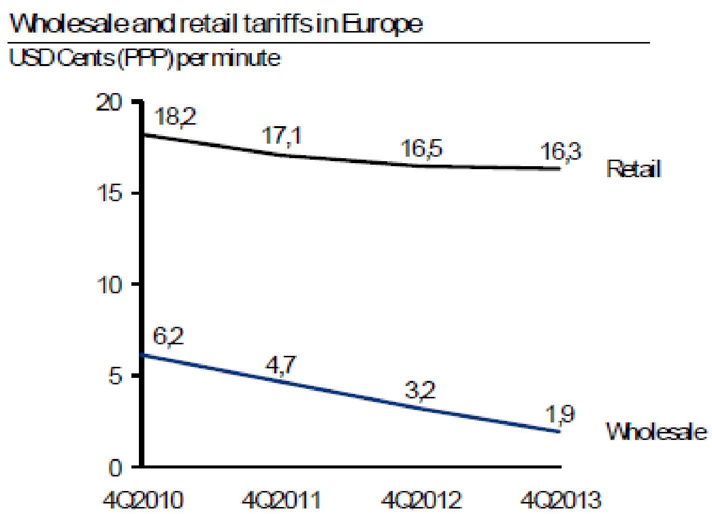
Comparison of wholesale and retail tariffs in Asia-Pacific



Source: Rjio/ DETECON p.18

Chart No.2

Comparison of wholesale and retail tariffs in Europe



Source: Rjio/ DETECON p.19

In view of above facts, counter comments and analysis we strongly believe that RCOM'S arguments for BAK and Pure-LRIC are not tenable.

III. Sistema Shyam TeleServices Ltd (SSTL) ,Quadrant Televenture Ltd (QTL)

1. We note that the responses of SSTL and QTL are very identical and both companies have recommended for BAK and Pure-LRIC.

2. We do not agree with the comments of SSTL and QTL. The reasons have already indicated in the counter comments of Rjio and RCOM.

IV. Videocon Telecommunications Ltd (Videocon)

1. We do not agree with the comments / suggestions of Videocon for implementation of BAK.

V. Telewings (Uninor)

1. We do not agree with the suggestion of Uninor regarding the Pure-LRIC approach for estimation of MTC in India. We strongly believe that Pure-LRIC is not suitable for India

2. We believe that applicability of Pure-LRIC will be counterproductive if applied in India.

3. It is important to mention that Uninor's holding company i.e. Telenor has opposed the implementation of Pure-LRIC elsewhere.

VI. Aircel

1. We do not agree with the suggestion of continuation of present approach of TRAI in fixing MTC with exclusion of CAPEX. We believe that this approach is against the work done principle.

2. We believe that OPEX and CAPEX recovery are necessary part to provide the telecommunications services, therefore, both must be considered for the determination of MTC.

3. It is important to mention that the two part costing is not relevant for determination of MTC under the present circumstances and there is no point to continue with a flawed "partial" OPEX approach. Further, we would like to reiterate that the Hon'ble Authority itself in almost all determinations except MTC has considered CAPEX recovery (refer below):

Name of the Products/ Network services	Cost considered for determination
Carriage charges	OPEX+ Depreciation+ cost of capital
Mobile Number portability (MNP) charges	OPEX+ Depreciation+ cost of capital
Roaming charges / SMS termination charges	OPEX+ Depreciation+ cost of capital
Cable landing Station (CLS) access charges	OPEX+ Depreciation+ cost of capital
Domestic leased Circuits (DLC)	OPEX+ Depreciation+ cost of capital
International Private leased Circuits (IPLC)	OPEX+ Depreciation+ cost of capital
ILD Calling Card – Access Charge (Outgoing)	OPEX+ Depreciation+ cost of capital
Port Charges	OPEX+ Depreciation+ cost of capital

4. We also do not agree with Aircel for exclusion of Spectrum. We strongly believe that Spectrum is fundamental to mobile telecommunication, more so relevant in India where 97% of subscriber base is wireless and further, being a 'scarce' natural resource, the cost of using this resource must be reflected in interconnection pricing.

Annexure –I

Comparative statement of MTC in select countries

Sl.No	Countries	MTR US$	Charging Regime	Costing Approach
1	**India**	**0.0040**	**CPP**	**FAC- Relevant Opex only**
2	Sri Lanka	0.0050	CPP	LRIC+
3	China	0.0070	CPP	Govt Decided
4	Pakistan	0.0110	CPP	LRIC+
5	France	0.0139	CPP	Pure-LRIC
6	Malaysia	0.0170	CPP	LRIC+
7	Israel	0.0177	CPP	Pure-LRIC
8	Turkey	0.0187	CPP	LRIC+
9	Sweden	0.0231	CPP	Pure-LRIC
10	United Kindom	0.0242	CPP	Pure-LRIC
11	Portugal	0.0246	CPP	Pure-LRIC
12	Korea	0.0275	CPP	LRIC+
13	Austria	0.0279	CPP	Pure-LRIC
14	Mexico	0.0291	CPP	-
15	New Zealand	0.0303	CPP	Benchmarking
16	Czech Republic	0.0311	CPP	Pure-LRIC
17	Greece	0.0319	CPP	Pure-LRIC
18	Netherlands	0.0333	CPP	Pure-LRIC
19	Belgium	0.0342	CPP	Pur-LRIC
20	Italy	0.0347	CPP	Pure-LRIC

21	Norway	0.0357	CPP	Pure-LRIC
22	Iceland	0.0388	CPP	Benchmarking
23	Poland	0.0413	CPP	Pure-LRIC
24	Denmark	0.0428	CPP	Pure-LRIC
25	Slovak Republic	0.0442	CPP	Pure-LRIC
26	Colombia	0.0460	CPP	LRIC
27	Germany	0.0467	CPP	LRIC+
28	Hungary	0.0471	CPP	Pure-LRIC
29	Slovenia	0.0489	CPP	Pure-LRIC
30	Ireland	*0.0511*	CPP	Benchmarking
31	Finland	0.0531	CPP	Benchmarking
32	Spain	*0.0556*	CPP	Pure-LRIC
33	Japan	0.0616	CPP	LRIC+
34	Australia	0.0619	CPP	LRIC+
35	Switzerland	0.0787	CPP	Pure-LRIC
36	Estonia	0.0878	CPP	Pure-LRIC
37	Luxembourg	0.1222	CPP	Pure-LRIC
38	Chile	0.1608	CPP	LRIC
OECD (average)		**0.0474**		
World (Average)		**0.0413**		
Source: OECD, RJio(Ovum), Industry and Vodafone -India Analysis				

Annexure-II

Statement of Charging Model in different countries

Statement of Charging Model in different countries		
CPP countries	**Switch from B&K to CPP**	**B&K and other Models**
Australia	Venezuela (1991)	Albania
Austria	Brazil (1994)	Barbados
Belgium	Colombia (1994)	Cameroon
Belize	Israel (1994)	Canada (MPP)
Denmark	Dominican Republic (1995)	Croatia
Estonia	Uruguay (1995)	Hong Kong, China
Finland	Costa Rica (1996)	Mauritius
Germany	Czech Republic (1996)	Russia
Greece	Mongolia (1996)	Singapore
Hungary	Peru (1996)	St. Kitts and Nevis
Iceland	Cambodia (1996)	Ukraine
Ireland	Panama (1997)	United States (CPNP/B&K)
Italy	Ecuador (1998)	
Japan	Romania (1998)	
Korea	Argentina (1999)	
Lithuania	Bolivia (1999)	
Luxembourg	Chile (1999)	
Madagascar	El Salvador (1999)	
Malaysia	Guatemala (1999)	
Malta	Mexico (1999)	
Moldova	Antigua and Barbados (2000)	
Netherlands	Honduras (2000)	
New Zealand	Jamaica (2000)	
Norway	Cayman Islands (2001)	
Philippines	Pakistan (2001)	
Poland	Trinidad and Tobago (2001)	
Portugal	Dominica (2002)	
Slovak Republic	Grenada (2002)	
Slovenia	Saint Lucia (2002)	
Spain	St. Vincent (Grenad.) (2002)	
Sweden	**India (2003)**	
Switzerland	**France (2004)**	
Turkey	**Sri Lanka (2010)**	
United Kingdom	**China (2010)**	
Source:OECD,28-Feb-2012 and Vodafone-India Analysis		

Annexure-III

MTR/FTR Comparison (2013)			
	FTR (€cents), Local, average, call-set up charge considered based on a 3 minute call	MTR average (in EUR cents)	Differential in %
Country	**FTR**	**MTR**	**FTR/MTR**
Austria (AT)	0.58	2.43	-76%
Belgium (BE)	0.42	1.18	-64%
Bulgaria (BG)	0.26	2.25	-88%
Switzerland (CH)	0.57	6.34	-91%
Cyprus (CY)	0.34	1.73	-80%
Czech Republic (CZ)	0.78	1.63	-52%
Germany (DE)	0.28	1.85	-85%
Denmark (DK)	0.06	1.07	-94%
Estonia (EE)	0.57	1.47	-61%
Spain (ES)	0.56	3.17	-82%
Finland (FI)	2.40	2.80	-14%
France (FR)	0.04	0.84	-95%
GR	0.21	1.27	-83%
Croatia (HR)	0.34	2.58	-87%
Hungary (HU)	0.34	2.49	-86%
Ireland (IE)	0.47	2.60	-82%
Italy (IT)	0.27	1.52	-82%
Lithuania (LT)	0.61	1.85	-67%
Luxembourg (LU)	0.46	8.55	-95%
Latvia (LV)	0.98	3.74	-74%
Malta (MT)	0.04	2.07	-98%
Netherlands (NL)	0.37	2.40	-85%
Norway (NO)	0.43	2.04	-79%
Poland (PL)	0.47	2.01	-77%
Portugal (PT)	0.39	1.27	-69%
Romania (RO)	0.58	3.07	-81%
Sweden (SE)	0.25	1.74	-85%
Slovenia (SI)	0.39	3.24	-88%
Slovakia (SK)	0.50	3.18	-84%
Turkey (TR)	0.60	1.41	-57%
United Kingdom (UK)	0.22	1.86	-88%
Average	**0.48**	**2.43**	-80%
Source: BEREC, Cullen International, Vodafone India Analysis			

Annexure-IV

Mobile Penetration rates in European countries

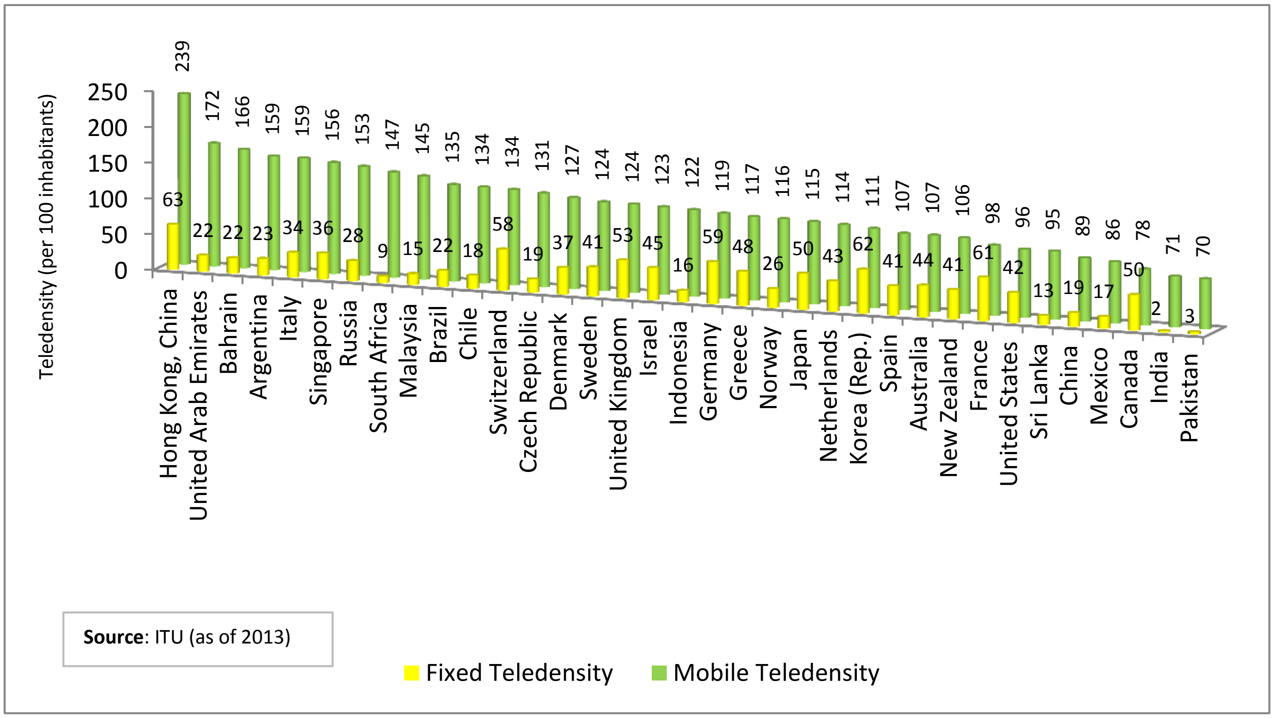
	1Q 2007	3Q 2007	1Q 2008	3Q 2008	1Q 2009	3Q 2009	1Q 2010	3Q 2010	1Q 2011	3Q 2011
Austria	103%	106%	110%	113%	119%	121%	126%	129%	133%	135%
Belgium	91%	96%	101%	105%	107%	109%	111%	113%	114%	116%
Bulgaria	103%	114%	122%	127%	130%	132%	134%	135%	141%	147%
Czech Rep	111%	114%	116%	118%	120%	122%	123%	123%	124%	125%
Denmark	109%	113%	113%	120%	123%	128%	134%	132%	132%	137%
Estonia	118%	119%	121%	127%	128%	129%	131%	134%	141%	142%
Finland	109%	113%	119%	126%	134%	142%	149%	158%	165%	168%
France	82%	83%	86%	87%	90%	91%	94%	95%	98%	98%
Germany	98%	104%	110%	116%	117%	121%	122%	122%	125%	128%
Hungary	93%	96%	100%	104%	107%	105%	107%	107%	108%	108%
Ireland	105%	109%	113%	116%	118%	119%	122%	124%	125%	127%
Italy	132%	137%	140%	139%	138%	134%	135%	137%	139%	140%
Latvia	93%	97%	98%	101%	101%	102%	103%	110%	109%	114%
Lithuania	135%	140%	142%	144%	143%	141%	141%	145%	145%	150%
Netherlands	102%	110%	116%	120%	124%	127%	116%	116%	116%	119%
Poland	93%	99%	104%	107%	110%	111%	112%	114%	118%	121%
Portugal	115%	120%	127%	134%	139%	142%	147%	149%	151%	151%
Romania	78%	91%	103%	113%	117%	119%	121%	122%	120%	120%
Slovak Rep	94%	94%	97%	98%	101%	98%	103%	106%	109%	111%
Slovenia	90%	93%	96%	99%	101%	102%	103%	103%	103%	105%
Spain	103%	106%	110%	112%	115%	118%	117%	121%	124%	126%
Sweden	106%	111%	113%	119%	123%	128%	130%	134%	137%	142%
UK	110%	112%	116%	119%	120%	122%	125%	127%	128%	128%

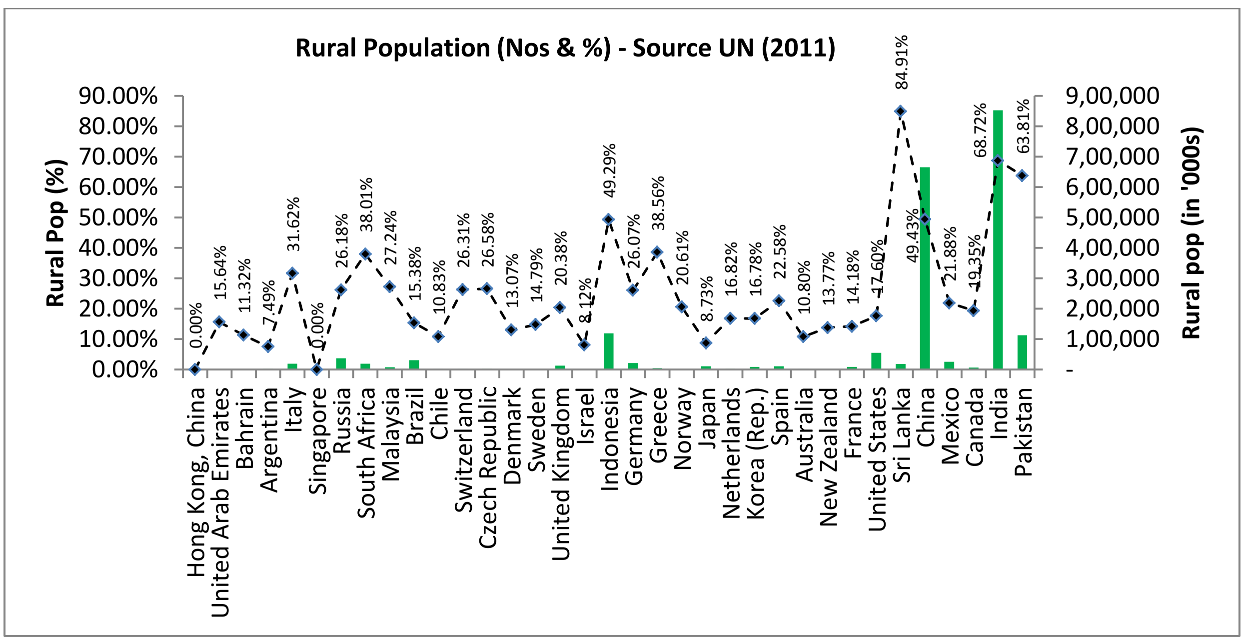
Source: The impact of recent cuts in mobile termination rates across Europe, May 2012, Frontier economics/Analysys Mason

Annexure – V

Global Comparison (select countries) of Mobile, Fixed penetration and mobile market share

Teledensity (Fixed and Wireless) and Subscriber base (Fixed and Mobile) of select nations globally. It is pertinent to understand that many nations that have applied or argued to apply pure-LRIC or have tried to move towards a more cost oriented/based rate for FTC -MTC, have high fixed line penetrations, and also (refer table next chart), have high level of urbanization.





ITEM NO.101 COURT NO.8 SECTION XVII

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

Civil Appeal No(s). 5253/2010

B.S.N.L. Appellant(s)

VERSUS

TELECOM REGULATORY AUTH.OF INDIA & ORS. Respondent(s)

(with office report)

WITH
C.A. No. 5184/2010
(With C.A. No. 5873/2010
(With Office Report)
C.A. No. 6068/2010
(With Office Report)
C.A. No. 6255/2010
(With Office Report)
C.A. No. 5834-5836/2005
(With Office Report)
C.A. No. 5837/2005
(With Office Report)
C.A. No. 11374/2013
(With Office Report)
T.C.(C) No. 39/2010
(With Office Report)
C.A. No. 271-281/2011
(With Office Report)

Date : 15/10/2014 These appeals were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE J. CHELAMESWAR
HON'BLE MR. JUSTICE PINAKI CHANDRA GHOSE

For parties
Mr. Rakesh Dwivedi,Sr.Adv.
Mr. Sanjay Kapur,Adv.
Mr. Anmol Chandan,Adv.
Ms. Priyanka Das,Adv.
Ms. Lekha Vishwanath,Adv.

Ms. Pinky Anand,ASG

Ms. Maneesha Dhir,Adv.
Mr. K.P.S. Kohli,Adv.
Mr. Prashant Jain,Adv.

Ms. Natasha Sahrawat,Adv.
Mr. Gagan Gupta,Adv.

Ms. Manali Singhal,Adv.
Mr. Santosh Sachin,Adv.
Mr. Gaurav Srivastava,Adv.
Mr. Abhijit P. Medh,Adv.

Mr. Ramji Srinivasan,Sr.Adv.
Mr. Mahesh Agarwal,Adv.
Mr. Rishi Agrawala,Adv.
Mr. E. C. Agrawala,Adv.
Ms. Shally Bhasin,Adv.
Mr. Lakshmeesh Kamash,Adv.
Mr. Paras Anand,Adv.
Ms. Sara Sundaram,Adv.

Mr. Mansoor Ali Shoket,Adv.
Ms. Vibha Dhawan,Adv.
Mr. Kunal Singh,Adv.
Mr. Pukhrambam Ramesh Kumar,Adv.

Mr. A.S. Chandyok,Sr.Adv.
Mr. Gaurav Goyal,Adv.
Mr. Depanl Yadav,Adv.
Ms. Madhu Sikri,Adv.(N.P.)

Mr. Abhinav Mukerji,Adv.

Ms. Rakhi Ray,Adv.

Ms. Rachna Joshi Issar,Adv.
Ms. Ambreen Rasool,Adv.

Mr. Gopal Jain,Sr.Adv.
Mr. Manjul Bajpai,Adv.
Mr. Navin Chawla,Adv.
Mr. Ketan Paul,Adv.
Mr. Shashwant Bajpai,Adv.
Ms. Disha Sachdeva,Adv.

Mr. N. Ganpathy,Adv.

Ms. Mukti Chowdhary,Adv.

Mr. Gopal Jain,Sr.Adv.
Mr. Manjul Bajpai,Adv.
Mr. Shashwat Bajpai,Adv.
Ms. Bina Gupta,Adv.
Mr. Ranjit Raut,Adv.

Mr. Ramji Srinivasan,Sr.Adv.
Mr. Manu Nair,Adv.
Ms. Nisha,Adv.

For M/s Suresh A. Shroff & Co.,Adv.

UPON hearing the counsel the Court made the following

O R D E R

Tag with Civil Appeal No.3298 of 2005 etc. Mr. Rakesh Dwivedi, learned senior counsel appearing for the appellant requests that the hearing of the matters be expedited in view of the importance of issues involved in the matters.

Registry is directed to place the matters before Hon'ble the Chief Justice of India seeking appropriate direction.

[O.P. SHARMA]	[INDU BALA KAPUR]
COURT MASTER	COURT MASTER

ITEM NO.2 COURT NO.5 SECTION XVII

S U P R E M E C O U R T O F I N D I A 749498
RECORD OF PROCEEDINGS

IA 23-33/2011 in CIVIL APPEAL NO. 271-281 OF 2011

TELECOM REGULATORY AUTH.OF INDIA Appellant (s)

VERSUS

B.S.N.L.& ORS. Respondent(s)

(With appln(s) for directions and office report))

Date: 13/04/2012 These Appeals were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE G.S. SINGHVI
HON'BLE MR. JUSTICE SUDHANSU JYOTI MUKHOPADHAYA

For Appellant(s)	Mr. R.F. Nariman, Sr. Adv. Mr. Sanjay Kapur, Adv Ms. Ashmi Mohan, Adv Mr. Anmol Chandan, Adv.
For Respondent(s) (Vodafone)	Mr. H.N. Salve, Sr. Adv. Mr. Gopal Jain, Adv. Mr. Navin Chawla, Adv.
for Bharti Airtel	Dr. A.M.Singhvi, Sr. Adv. Mr. Gopal Jain, Adv. Mr. Navin Chawla, Adv.
for BSNL	Mr.Gopal Subramanium, Sr. Adv. Ms. Maneesha Dhir, Adv. Mr.K.P.S. Kohli, Adv. Mr.Mayank Grover, Adv. Mr. Gagan Gupta, AOR
for AUSPI	Mr. Mukul Rohtagi, Sr. Adv. Mr. Rakesh Dwivedi, Sr. Adv. Mr. Ramji Srinivasan, Sr. Adv. Ms. Manali Singhal, Adv. Mr. Santosh Sachin, Adv. Mr. Abhijat P. Medh ,AOR Ms. Mukti Chowdhary ,AOR(Not present)

Certified to be true copy
Assistant Registrar (Judl.)
17.04.12
Supreme Court of India

UPON hearing counsel the Court made the following

O R D E R

In these applications, the appellant has made a prayer for grant of permission to notify the regulation framed under Sections 11(1)(b)(i), (iii) and (iv) of the Telecom Regulatory Authority of India Act, 1997.

We have heard Shri R.F. Nariman, learned Solicitor General appearing for the appellant, Shri Harish N. Salve and Shri Gopal Subramanium, learned senior counsel appearing for the contesting respondents and perused the record.

In our considered view, having regard to orders dated 4.2.2011 and 15.7.2011 passed by this Court, there is no justification to entertain the prayer made in the applications, which are hereby dismissed.

The main appeals be listed for final disposal on 10.07.2012 along with Civil Appeal No.5253 of 2010 and connected appeals.

(Parveen Kr.Chawla)
Court Master

(Phoolan Wati Arora)
Court Master

ITEM NO.5 COURT NO.1 SECTION XVII

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

CIVIL APPEAL NOS.271-281 OF 2011
(For Prel. Hearing)

TELECOM REGULATORY AUTH.OF INDIA Appellant (s)

VERSUS

B.S.N.L. ETC.ETC. Respondent(s)

(With appln(s) for ex-Parte stay and office report)

Date: 04/02/2011 These Appeals were called on for hearing today.

CORAM :
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE K.S. PANICKER RADHAKRISHNAN
HON'BLE MR. JUSTICE SWATANTER KUMAR

For Appellant(s) Mr. Goolam E. Vahanvati,AG.
Mr. Sanjay Kapur,Adv.
Ms. Ashmi Mohan,Adv.
Mr. Abhishek Nanda,Adv.

For Respondent(s) Mr. Tushar Singh,Adv.
For Idea Cellular: Mr. Navin Chawla,Adv.

For Cellular Operators Mr. C.A. Sundaram,Sr.Adv.
Association of India: Mr. Gopal Jain,Sr.Adv.
Mr. Navin Chawla,Adv.
Mr. Tushar Singh,Adv.

For Bharti Airtel Ltd: Mr. Gopal Jain,Sr.Adv.
Mr. Navin Chawla,Adv.
Mr. Tushar Singh,Adv.

For Vodafone Essar Ltd:Dr. A.M. Singhvi,Sr.Adv.
Mr. Gopal Jain,Sr.Adv.
Mr. Navin Chawla,Adv.
Mr. Tushar Singh,Adv.

..2/-

- 2 -

Mr. Ramji Srinivasan,Sr.Adv.
Ms. Manali Singhal,Adv.
Mr. Santosh Sachin,Adv.
Mr. Aakarsh Kamra,Adv.
Mr. Zeyaul Haque,Adv.

Mr. Abhijat P. Medh, Adv.

Mr. Gopal Subramaniam, SG.
Mr. Tejveer Bhatia, Adv.
Mr. Tanmay Mehta, Adv.
Mr. Abhinav Mukherji, Adv.
Ms. Surbhi Mehta, Adv.
Mr. Gaurav Sharma, Adv.

UPON hearing counsel the Court made the following

O R D E R

Admit.

As far as interim relief is concerned, time is given to the appellant to implement the decision of TDSAT within a further period of four months from today without prejudice to the rights and contentions of the parties.

[T.I. Rajput]	[Madhu Saxena]
A.R.-cum-P.S.	Assistant Registrar

ITEM NO.43 COURT NO.1 SECTION XVII

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

I.A. NOS.12-22
IN
CIVIL APPEAL NOS.271-281 OF 2011

TELECOM REGULATORY AUTH.OF INDIA Appellant (s)

VERSUS

B.S.N.L. ETC.ETC. Respondent(s)

(For ex-parte stay, directions and office report)

Date: 15/07/2011 These Matters were called on for hearing today.

CORAM :
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE K.S. PANICKER RADHAKRISHNAN
HON'BLE MR. JUSTICE SWATANTER KUMAR

For Appellant(s) Mr. R.F. Nariman,Sr.Adv.
Mr. Sanjay Kapur,Adv.
Mr. Abhishek Kumar,Adv.
Ms. Ashmi Mohan,Adv.
Mr. Abhishek Nanda,Adv.

For Respondent(s) Mr. Navin Chawla,Adv.
For Idea Cellular: Mr. Gaurav Kaushik,Adv.

For Cellular Operators Mr. Navin Chawla,Adv.
Association of India: Mr. Gopal Jain,Sr.Adv.
Mr. Gaurav Kaushik,Adv.

For Bharti Airtel Ltd: Mr. Harish N. Salve,Sr.Adv.
Mr. Navin Chawla,Adv.
Mr. Gopal Jain,Adv.
Mr. Gaurav Kaushik,Adv.

For Vodafone Essar Ltd:Dr. A.M. Singhvi,Sr.Adv.
Mr. Navin Chawla,Adv.
Mr. Gaurav Kaushik,Adv.

...2/-

- 2 -

Mr. Ramji Srinivasan,Sr.Adv.
Ms. Manali Singhal,Adv.
Mr. Abhijat P. Medh,Adv.

Ms. Pratibha M. Singh,Adv.
Mr. Gaurav Sharma,Adv.
Mr. Tejveer Bhatia,Adv.
Ms. Surbhi Mehta,Adv.
Mr. Abhinav Mukherji,Adv.

UPON hearing counsel the Court made the following

O R D E R

In our Order dated 4th February, 2011, we had directed TRAI to complete its exercise within four months. Time is further extended by three months from today.

Place the Interlocutory Applications on 29th July, 2011.

[Alka Dudeja]
A.R.-cum-P.S.

[Madhu Saxena]
Assistant Registrar