

Idea/RCA/RV/2015-16/Dec/199

Dec 14, 2015



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

**Kind Attention: Advisor (NSL-I)**

**Subject: Consultation Note Number 7/2015 on IP based Interconnection dated 27<sup>th</sup> November 2015**

Dear Sir,

This is in reference to the above-mentioned TRAI Consultation Note seeking comments from all stakeholders on the proposed licensing amendment to facilitate IP based interconnection.

IDEA Cellular Limited is pleased to provide its comments and submissions on the TRAI consultation note. We note that the TRAI Consultation Note proposes a recommendation to DoT, to incorporate a provision in all relevant licenses to the effect that licensees may also interconnect over IP based networks or any other emerging/latest technology specified by the licensor. Towards that end, the TRAI Consultation Note proposes to amend the Clause 27.3 of the Unified License by incorporating the necessary provision to facilitate IP based interconnection between TSPs.

At the outset, it is submitted that the existing License condition duly recognizes and provides for interconnection between the TDM and IP networks. Thus TDM – IP interconnection for PSTN/PLMN services is already permitted in the license. The Authority would appreciate that interconnection between two IP networks would only arise, when both concerned operators are ready for IP to IP interconnection. In our humble submission, this situation has yet to arise and considering the current status of evolution of networks, this is unlikely to happen any time immediately. The TRAI may thus kindly consider withdrawing the said consultation note and recommending to DoT that the existing license condition adequately addresses the issues around interconnection of PSTN/PLMN services.

We would like to further place the following facts for consideration of the Authority:

- a. The TRAI Consultation note states that there is shift from the traditional Circuit Switched (CS) to Packet Switched (PS) environment and that major TSPs in India have already installed IP based core transport network for carrying voice and data traffic.

*The TRAI Consultation Note further states that during the recent consultation process on "Migration to IP Networks", some telecom service providers submitted that as the imminent transition towards IP technology is widely anticipated, it is essential to amend the license conditions to explicitly provide for IP technology based interconnection.*



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- i. In the above context, it is submitted that while operators are strategizing for migration towards an Internet Protocol (IP)-based telecommunications systems, however the migration to IP based /interconnection remains an ongoing process, and that this evolution /progression should be allowed to take place naturally based on the business plans and strategies of respective TSPs and thus there cannot be any mandate regarding IP to IP interconnection.
- ii. The Authority is also aware that the **Telecom Service Providers (TSPs) in India have committed huge investments in existing TDM networks, based on the initial license mandate and these investments have been made for larger time horizon specifically since the product life cycles and monetization of equipment requires larger time intervals.**
- iii. The standard lifespan for the telecom equipment as committed by Telecom Equipment providers such as NSN, Ericsson, Huawei, ZTE and others is about 10 – 15 years. The Return on Investment and Project viability are evaluated in these Telecom networks based on the assumption that Telecom gear procured for TDM networks will last for a minimum of ten years. **It needs to be noted that these networks which are rolled out in recent past have capability and capacity for minimum projected Voice traffic growth over the next 3 to 5 years.**
- iv. **Thus there cannot be mandatory migration to IP based networks/interconnection** which as highlighted above, will lead to waste of massive existing investments of TSPs that would run into thousands of crores. Further huge costs will be involved in moving to IP networks.
- v. **The Authority would appreciate that the Industry has also been continuously drawing the Authority's attention towards the near negative or low ROIs.** In fact the TRAI itself had recently in its earlier consultation paper on "Migration to IP networks" acknowledged that TSPs will face considerable risk in committing significant investment in upgrading infrastructure for migration towards IP networks in the current environment.
- vi. **The Authority needs to take note of that fact that under the prevailing low return environment and mounting spectrum costs, TSPs have generally strategized their networks to run on IP networks in Transport layer and have decided to continue in R4 & R99 GSM architecture which operates the Voice on Circuit Switching only. With this hybrid approach TSPs are able to ensure the Return on Investments are realized in traditional / legacy Network and at the same cater to the need for providing new emerging services.**
- vii. Mandatory migration to IP interconnection will result in a very high immediate cost for the existing TSPs in deploying elements such as Session Border Controller (SBC), Routers and IP switches.
- viii. Further, there are additional challenges that need to be considered. For example, IP infrastructure and port charges needs to be defined along with norms for traffic engineering, augmentation and network upgrade KPI guidelines.



Naturally, in view of the above, none of the operating domestic Telecom Service Provider has IP based interconnection for Voice Termination in CMTS/UASL/NLD services.

However, without prejudice to the above, should the Authority still wish to pursue this issue, it needs to ensure that its proposed amendment should have no impact on the prevailing licensing condition that prohibits internet Telephony calls from being connected to PSTN/PLMN and vice-versa within India, or on the overall framework of the current Interconnection regime. Further, the proposed amendment should not result in change of existing routing mechanism involving Local ,NLD &ILD traffic.

With the above context, we would like to tender the TRAI proposed clause 27.3.1 to read as under:

| Clause (UL) | Clause Proposed by TRAI   | Clause Proposed by Idea   |
|-------------|---|---|
| New Clause  | 27.3.1 Interconnection between the IP based networks of different Licenses for carrying IP traffic shall be within the overall framework of the interconnection regulation/ directions/ orders issued by TRAI/Licensor from time to time. | 27.3.1 "Interconnection between networks of different Licensees for carrying IP <u>switched traffic for Voice Services in PSTN/PLMN shall be as per the mutually agreed arrangement</u> and shall be within the overall framework of the interconnection regulation/ directions/ orders issued by TRAI/Licensor from time to time. <u>It is clarified that IP interconnection is not mandatory.</u> |

In light of the above submissions and considering the present scenario, we strongly recommend that Interconnection should not be mandated through any amendments in license and should be left to bilateral agreement between TSPs based on the technology used in their respective networks.

If however, TRAI still feels compelled to make any recommendations on the subject, we request TRAI to only propose the amendment 27.3.1 within the parameters highlighted by us above in our response.

We request the Authority to give due-consideration to our comments before formalizing its Recommendations on this issue.

Should you require any clarifications or further information on the positions set out in this response, please do not hesitate to contact us.

Thanking You,

For IDEA Cellular Limited



Rahul Vatts

Vice President – Regulatory and Corporate Affairs