



Interconnection TRAI <interconnection.trai@gmail.com>

EBG response to Consultation Paper on Review of Interconnect Regulations

1 message

EBG, India <gm@ebgindia.com>

Tue, Dec 13, 2016 at 11:43 PM

To: interconnection.trai@gmail.com

Cc: Raman Sidhu <rsidhu102@gmail.com>, H&M contacts <tvram.personal@gmail.com>, Debashish Bhattacharya <debashish.bhattacharya19@gmail.com>, arunmukarji <arunmukarji@gmail.com>, Ravindra Bahukhandi <ravindrabahukhandi@gmail.com>, Rajeev Gupta <rgupta@rdiindia.com>

To,**Shri Arvind Kumar****Advisor (BB & PA)****TRAI**

Dear Sir,

Greetings from EBG Federation !! (An association of European Companies in India since 1997)

EBG Federation would like to submit the recommendations of its Telecom Sector Committee Members to the Consultation Paper on Review of Interconnect Regulations. .

Please find attached EBG response for your kind consideration after careful deliberation of our members.

We respectfully request that our response may be accepted and registered officially on your website though we are a day after the official submission date.

Warm Regards,

T V Ramachandran



TV Ramachandran

Chairman

EBG Telecom Sector Committee



EBG response to TRAI CP on Review of Interconnect Regulations.pdf

264K



EBG FEDERATION

EBG FEDERATION RESPONSE TO CONSULTATION NOTE ON REVIEW OF INTERCONNECT REGULATIONS

EBG Federation (EBG) was established on 11th March, 2015 as a Section 8 company under the Companies Act 2013 in order to ensure long term stability and clarity on its purpose as a not for profit organization offering support and advocacy for European businesses in India. Founded as the European Business Group (EBG), in 1997, as a joint initiative of the European Commission and the European Business Community in India, EBG has come to be recognized by the Indian Government and the European Commission as the industry advocacy group representing the interest of European companies in India.

EBG Federation is supported by the Delegation of the European Union to India and represents the 27 Member States of the European Union, UK as well as accession countries and its partners in European Economic Area (EEA). The EU Ambassador is our Patron. Currently EBG has Chapters in Delhi, Mumbai, Bangalore and Chennai with approximately 170 companies as Members including a number of companies from the Telecom Sector. Mr. TV Ramachandran is currently the Chairman of the Telecom Sector Committee of the EBG.

The primary objective of EBG is to actively support growth in India-EU trade relations, become the most relevant advocate for European business in India and ensure that the needs of European business are well presented to policy and decision makers.

EBG Responses are as follows:

Q1: Which amongst the following is the best option to ensure fair, reasonable and non-discriminatory terms and conditions of interconnection agreement between telecom service providers (TSPs), in view of the technological, market, licensing, regulatory and legal developments in the telecommunication services sector in India since 2002?

- (i) To amend the Telecommunication Interconnection (Reference Interconnection Offer) Regulation, 2002 taking into consideration the technological, market, licensing, regulatory and legal changes since the year 2002;**
- (ii) To prescribe a Standard Interconnection Agreement, which must be entered into between interconnecting TSPs, in case they are unable to mutually agree on terms and conditions of interconnection agreement between themselves in a specified time-frame;**
- (iii) To prescribe only the broad guidelines based on fair, reasonable and non-discriminatory principles and leave the details of the**



EBG FEDERATION

interconnection agreement to be mutually decided by the interconnecting TSPs in a time-bound manner; or
(iv) Any other method.

Please provide justification in support of your response.

A1: The Telecom Sector in the country has witnessed several economic, technical, licensing & regulatory changes since 2002 when the Telecommunication Interconnection Regulation 2002 (Reference Interconnect Offer) was formulated. Some of the changes are reflected below viz.

-Changes have taken place in the telecom market from the earlier pure State Monopoly of Govt run Telecoms viz. Department of Telecommunication (DOT) to the entry of large number of private players making the market intensely competitive.

-Emergence of Mobile Telephony as a primary means of communication & continuous decline in number of wireline subscribers in the last decade.

-Considerable increase in number of NLDs/ILDs

-Introduction of the Unified License Regime

-Expiry of Telecom Licenses of some TSPs & consequential needs for renegotiation of interconnect agreements.

The above developments have altered nature & economics of telecom services sector & strategy of market players have influenced the scale & choice of investments in different types of technology & services.

The approach to interconnection should be principle based, the regulatory equality principles of **Fair, Reasonable, Reciprocal and Non-Discriminatory** should be adopted. The charges for all elements of interconnection should be cost based, on fair and equal terms. Transparency should be the hallmark of inter-operator agreements.

Interconnection should be provided by the provider under **non-discriminatory** terms and conditions, implying that the provider shall offer similar terms to all licensed service providers seeking interconnection for similar services. Such offer shall not treat the subscriber of other TSP any less favorably than its own subscribers.

Interconnection should be provided by the provider in a **timely fashion** and the seeker should pay for only those facilities that it desires to procure, in other words **sufficiently unbundled**.

As a matter of principle, the provider should publish its reference agreement along with the terms and conditions, in order to **maintain transparency**.



EBG FEDERATION

Adequate **dispute resolution** mechanism should be built in the interconnection agreement.

Interconnection is to be established between **licensed entities having deployed their (Access, NLD, ILD) network** under proper authorization of Unified License. A licensee with no network of its own is not eligible to enter into an interconnection agreement. As per license agreement also, interconnection is amongst the networks of Licensees.

The RIO-2002 defined SMP (Significant Market Power) in terms of combined market share of all services offered by a TSP including Basic, Cellular, ILD & NLD. The sector has undergone significant changes since then.

Currently 7-10 TSPs are there in each LSA with sufficiently well distributed subscriber base. We note that as per subscriber base, there is no SMP in the wireless access market. The Regulation requires publishing of RIO in respect of only SMPs. There is no provision in the existing regulation w.r.t interconnection, if both of them happen to be SMPs or non-SMPs. There is lack of clarity w.r.t TSPs who subsequently become SMPs/ cease to be SMP.

TRAI's attention is also invited to BSNL's and MTNL's views in the pre-consultation paper (which are also reproduced in the consultation paper by the Authority) which are against any such review. Thus, if BSNL and MTNL continue to hold such view then we believe that the very objective of this exercise will be defeated. We believe that the Regulator must assess on balance, the effectiveness/outcome of its review and knowing the facts that presently several aspects of the interconnection framework, are under legal challenge. Therefore, it is submitted that the review should not result in a situation against private TSPs where BSNL and MTNL continue to enjoy unilateral and one sided arrangements.

There is probably a need to prescribe Standardized Interconnection Agreement (SIA) in this regard. The SIA should be based on the principles mentioned above and applicable to all. The Regulator (TRAI) should maintain a regulatory oversight over the process.

Q2: Whether existing interconnection agreements should also be allowed to be migrated to the new framework which will come out as a result of this consultation process?

A2: There have been large number of expired agreements with BSNL/MTNL and these should be signed afresh as per the SIA. Those TSPs who have submitted their request for migration to the new regime should be allowed to sign new agreements as per SIA.



EBG FEDERATION

Migration to the new framework should also be allowed for other TSPs in case they desire so and submit a written request.

Q3: What should be the time-frame for entering into interconnection agreement when a new TSP with a valid telecom license places a request for interconnection to an existing TSP?

A3: Time Frame may be prescribed by TRAI (of say 90 days) to ensure expeditious closure of interconnection agreements between licensed entities.

Q4: Which details should a new TSP furnish while placing request for entering into interconnection agreement? Please provide detailed justification in support of your response.

A4: EBG recommends seeker of services should provide the KYC details of its company along with copy of License authorization. The seeker should mention the type of service for which interconnection is sought, location of interconnection, capacity needed, technology at interface junctions etc. supported by network diagram and other technical details.

Q5: Should an interconnection agreement between TSPs continue to operate if an interconnecting TSP acquires a new license upon expiry of an old license? Alternatively, should fresh agreements be entered into upon specific request of either party to the interconnection?

A5: This should be read in extension to our response to Q2 above. If both the parties agree to continue with the existing terms of interconnection, then the agreement may continue. Else both parties should migrate to a standard interconnection agreement.

Q6: Whether it is appropriate to mandate only those TSPs who hold significant market power (SMP) in a licensed service area to publish their Reference Interconnect Offers (RIOs)? If yes, what should be the criteria for reckoning a TSP as SMP? If no, what could be the other approaches to streamline the process of interconnection in a fair, reasonable and non-discriminatory manner?

A6: Since, there is no SMP in access segment, there is no need to publish Reference Interconnect Offers (RIOs). However, in the Indian Telecom market



EBG FEDERATION

where there are 7- 10 TSPs and competition is vibrant, we recommend a standardized interconnection regime for the sector to prosper and end disputes.

The request of public sector operators for a special status of provider in perpetuity should be summarily rejected by TRAI.

Q7: Whether there is a need to continue with the present concept of interconnection seeker/ interconnection provider? If yes, what should be the criteria?

A7: As long as the standardized agreements are in place based on the principles described in response to Q1 of the paper, we believe that interconnect is mutually beneficial. Interconnection is a two-sided market, where every provider of service is also seeker of services.

In order to ensure commitment from the new entrant or seeker, we should continue with the concept where seeker has to pay for the interconnection resources for first two years. There after the cost of outgoing traffic from either parties network is borne by respective party at its own cost.

Q8: Whether there is any need to review the level of interconnection as mentioned in the Guidelines annexed to the Telecommunication Interconnection (Reference Interconnection Offer) Regulation, 2002? If yes, please suggest changes along with justification.

A8: No Specific comments

Q9: In case interconnection for Inter-circle calls to fixed-line network continues to remain at Short Distance Charging Area (SDCA), should alternate level of interconnection be specified in cases of technical non-feasibility (TNF) at SDCA level?

A9: We understand that such cases of technical non feasibility would be by way of exception only and may be dealt with within the framework of the interconnect agreement only.

Q10: What should be the framework to ensure timely provisioning/ augmentation of E1 ports? Please provide full framework with timelines including the following aspects:

(a) Minimum number of E1 ports for start of service;

(b) Maximum time period for issuance of demand note by the interconnection provider;

2nd Floor, Building No. 6, Okhla Industrial Estate, Phase 4, Okhla, New Delhi 110 020, INDIA

Ph.: 9811418874 E-mail : gm@ebgindia.com

Website: www.ebgindia.com



EBG FEDERATION

(c) Maximum time period for payment for demanded E1 ports by the interconnection seeker;

(d) Intimation of provisioning of requested E1 ports by interconnection provider;

(e) Space allocation for collocation of transmission equipment;

(f) Maximum time period for establishment of transmission links by the interconnection seeker;

(g) Maximum time period for acceptance testing;

(h) Maximum time period for issuance of final commissioning letter by the interconnection provider; and

(i) Maximum time period for start of traffic in the POI after provisioning/augmentation of E1 ports for which payment has already been made.

A10: We note that most of the provisions are already available in the present interconnection framework and rest may be decided by the TSPs themselves.

Q11: Whether augmentation of ports be allowed at higher levels such as STM-1 in place of E1?

A11: The existing framework allows interconnection at higher levels such as STM-I.

Q12: What should be the criteria to ensure that inflated demand for ports is not made by interconnection seeker?

A12: EBG is of the opinion that the provider of service should access the capacity / demand based of traffic justification. In case of un-utilized capacity there exists a provision of capacity surrender.

Q13: In case the interconnection seeker agrees to bear the total cost of equipment required for augmentation in advance, should the interconnection provider give the requested ports irrespective of volume of traffic at POI?

A13: NO, EBG is of the opinion that the matter be left to the discretion of the TSPs themselves and should not be prescribed by the Regulator.

Q14: Should separate time periods for provisioning of ports be prescribed for (i) fixed-line networks and (ii) mobile/ IP networks?

A14: EBG is of the view that there should be no prescribed format /model offer for interconnection. However, as mentioned in Response to Q3 above, a period of 90 days should be prescribed for the incumbent to provide POIs from the date of clear request.



EBG FEDERATION

Q15: Whether financial disincentive should be imposed on TSPs for-
(a) not entering into interconnection agreement within a stipulated time frame;
(b) not providing initial POI;
(c) not augmenting POI within stipulated timeframe;
(d) for violation of any clause prescribed in the regulations.
If yes, what should be the amount of such financial disincentives?

A15: No financial disincentive should be imposed on TSPs keeping in view the mandatory nature of interconnection as defined in the License.

Both parties should go through the Dispute resolution mechanism in the agreement.

Q16: Whether there is a need to have bank guarantee in the interconnection agreement? If yes, what should be the basis for the determining the amount of the bank guarantee?

A16: Bank guarantee condition should be applicable on mutual basis.

In case there is only terminating traffic as in case of standalone NLD and ILD operator, then the receivable should be securitized by a bank guarantee. The access provider will be in receivable position at all times.

Bank Guarantee should be only to settle delays in IUC payments and should be made on net-off basis with clause for settlement for wrong/excess billing .

Q17: What should be the method to settle Interconnection Usage Charges and how should the delayed payment between TSPs be handled?

A17: We note that there are already provisions about the payment and settlement in the interconnection agreements that are entered into between private TSPs, including for delayed payments on a fair and reciprocal basis. Therefore, EBG does not see any need for any regulatory intervention in this regard.

Q18: Whether interconnection and interconnection agreement should be service-specific or service-agnostic (i.e. a TSP can send any type of traffic on a point of interconnection which is allowed under the terms and conditions of the license given to it)? What are the advantages/ disadvantages of having service specific POIs when the TSPs are equipped with call data record (CDR) based billing systems?



EBG FEDERATION

A18: Current Interconnections and Interconnection Agreements are service - specific viz. those which are LSA /SDCA dependent with separate agreements for NLD, ILD services.

We note that Interconnection and interconnection agreements have always been service specific and should continue to be so. As the authority has already noted that Interconnection is about commercial and technical arrangements amongst operators and as long as these commercial and technical conditions are based on the type of service, they cannot be a case of service agnostic interconnection.

Q19: If POIs are merged together, what methods of discovery, prevention and penalization of any traffic manipulation by TSPs (whereby higher IUC traffic is recorded as lower IUC traffic in the CDR of the originating TSP) should be put in place?

A19: the present system is working reasonably well as per the EBG members and creation of solutions like interconnect exchange at present are not required.

Q20: Which policy and regulatory measures are required to be taken to encourage TSPs to migrate to Interconnection at IP level? What should be the terms and conditions for inter-connection at IP level?

A20: EBG believes that the migration to part or full IP networks must be left to choice of the TSPs, this being a business decision dependent on many factors like spectrum availability and use, individual rollouts, investment potential, business model, etc.

Q21: Whether there is a need to establish a framework for Interconnect Exchange to eliminate bilateral interconnection issues?

A21: There is a no need to establish a framework for interconnect exchange being a commercial & technical issue and direct peering is more desirable in the competitive market.