



Comments on TRAI Consultation Paper

on

**Estimation of Access Facilitation Charges and Co-
location Charges at Cable Landing Stations**

RCOM Comments : Consultation Paper on “Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations”

Background:

1. Reliance Communications Ltd welcomes opportunity extended to comment on the above captioned consultation paper.
2. The international bandwidth cost remains high as Access Facilitation Charges which some of the Cable Landing Station owners are charging for accessing bandwidth at Cable Landing Station are very high. Despite there being push for data localization, as of now huge amount of data (content) is still hosted outside India which is to be accessed from India. High cost of accessing bandwidth at CLS is adding to price being paid by end user to access the data. Internationally AFC are a minimal fraction of the cost of bandwidth. It is essential that AFC in India is kept minimal to make data access more affordable to the individual users.

RCOM’s specific comments on issues raised in the consultation paper are given below:

Issues for Consultation:

Q1. What should be the ‘utilization factor’ for determination of annual access facilitation charges, annual operation and maintenance charges for capacity provided on IRU basis, and co-location charges in the Schedules appended to “The International Telecommunication Cable Landing Stations Access Facilitation Charges and Co-Location Charges Regulations, 2012” dated 21.12.2012 ?

RCOM Response:

The capacity utilization factor of 70% is fair assumption for costing of Access Facilitation Charges and we support the same. Any upgrade in capacity is considered once traffic reaches to 80% of the installed capacity of a system or unit equipment. TRAI has considered utilization of 80% while calculating the tariff ceiling in Domestic Lease Circuits. Network architecture and data transmission are based on similar principles in domestic as well international markets, and most of the systems are modular with capacity upgrades possible by adding cards or modules in the same base chassis. Any benchmark on capacity utilization lower than 70% would mean over compensation to owners of OCLS and may result into windfall gain for the OCLS.

Q2. What should be the 'conversion factor' (refer Para 2.22) for determination of annual access facilitation charges and annual operation and maintenance charges for capacity provided on IRU basis in the Schedules appended to "The International Telecommunication Cable Landing Stations Access Facilitation Charges and Co-Location Charges Regulations, 2012" dated 21.12.2012?

RCOM Response:

The determination of charges for different bandwidths by using a conversion factor of 2.6 is appropriate and should be applicable to work out the AFA charges and annual operation and maintenance charges for capacity provided on IRU basis for the International Telecommunication Cable Landing Stations. The same conversion factor of 2.6 was used in fixing the tariff ceiling for Domestic leased Circuits. TRAI notified tariff ceiling for Domestic Leased Circuits vide Telecommunication Tariff (Fifty Seventh Amendment) Order, 2014 on 14th July-2014 and the same has been accepted by all. It may also be noted that the DLC tariff offered in the market are much lower than the notified tariff ceiling specially for higher bandwidth requirements.

AFC on IRU basis is required. This allows access seekers to match the contracts looking for IRU Contract term.