

# OTHER SERVICE PROVIDERS ASSOCIATION OF INDIA

Registered under societies Registration Act of XXI, 1860, by Govt. of NCT of Delhi

**S.V. RAMANA**  
President

**N.L. VERMA**  
Secretary General

**JITESH MIDHA**  
Vice President

**SANJAY SINGH**  
Vice President

**NAVEEN TANDON**  
Treasurer

Ref. No.: TRAI/02/12-13

Date: November 16, 2012

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**Sub: Consultation Paper [No. 14/2012 dated October 19, 2012] on Estimation of Access Facilitation Charges and Co-location Charges at Cable Landing Stations**  
**Ref.: OSPAI response dated April 19 2012 to TRAI consultation paper (No. 08/2012 dated 22<sup>nd</sup> March 2012)**

Dear Sir,

This is with reference to the captioned Consultation Paper [No. 14/2012] released by Hon'ble Authority on 19th October 2012 to seek stakeholder comments.

At the outset, we would like to sincerely thank the Hon'ble Authority for issuing the amendment on the International Telecommunication Access to Essential Facilities at Cable Landing Stations (Amendment) Regulations, 2012 as well as for the captioned consultation document. We would like to compliment Hon'ble Authority in rightfully bringing down the AFC/CLS charges significantly. This was much needed to spur the growth of BPO and ITES sector. We support TRAI's efforts in this respect.

Other Service Providers Association of India (OSPAI), is an association of BPOs, KPOs, Call Centers and Network Operating Centers covered under OSP category with the Department of Telecommunications. The aim of OSPAI is to promote Indian Outsourcing Industry by way of recommending and assisting in policy changes based on Industry and market needs.

We believe that the revised reduced charges estimated by TRAI is a step in the right direction and will certainly help in reducing the charges in lines with charges prevalent in other economies. The international connectivity and its charges are quite significant and important for the overall growth of BPO/ITES sector.

OSPAI members represent the end user / customer segment which essentially depend on the international connectivity to serve clients. Our comments are from the said perspective

TRAI has rightfully noted that the Access Facilitation charge at Cable landing station has increasingly become a significant portion of the total bandwidth charges payable by the end user in India.

It has further duly recognized the importance of international connectivity at affordable prices, for the overall growth of BPO sector in various sections of the earlier consultation document (No. 08/2012 dated 22<sup>nd</sup> March 2012) as below:

*"2.25. According to 'Information Technology Annual Report 2010-11' released by Department of Information Technology, Government of India, the contribution of Information Technology-Business Process Outsourcing (ITBPO) industry to the Gross Domestic Product (GDP) of India is estimated to be 6.4% in 2010-11. The IT-BPO Industry has enormous potential to grow in the*



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*years to come. By the fiscal year 2015, the industry's aggregate revenue is expected to reach US \$ 130*

*billion, a CAGR of about 14 per cent from the year 2010-11 which would contribute about 7% to the GDP of India."*

*"2.26. The growth prospect of BPO business in Asia Pacific market, where India competes for its share of business in the international BPO segment, is even better. As per a study of Gartner, an information technology research and advisory company, "...the outlook for Asia-Pacific's BPO market remains positive, with growth in 2011 expected to be 17.9 percent in terms of US dollars."*

*"2.27. Since, the availability of affordable and reliable international telecommunication connectivity is a significant factor for international BPO segment to flourish in any country, international bandwidth prices may influence the growth of BPO industry in India substantially."*

*"2.28. Thus in order to bridge the digital divide and to further boost Indian economy, it is imperative that the international bandwidth prices are affordable and, therefore, the access facilitation charge at CLS, which presently constitutes a significant portion of it, needs a fresh look."*

In summary, the Consultation Paper highlights the importance of international connectivity for India's overall economic development, with "affordable international bandwidth" being "an important driver for bridging the digital divide in India." Further, the IT-BPO industry has "enormous" growth potential, and may account for 7% of India's GDP by 2015. Similarly, the Asia-Pacific BPO market, in which India competes, is expected to grow by almost 18% in 2011. The Consultation Paper observes that "the availability of affordable and reliable international telecommunication connectivity is a significant factor for the international BPO segment to flourish in any country" and that "international bandwidth prices may influence the growth of BPO industry in India substantially."

OSPAI welcomes the revised estimated charges arrived in the current consultation document (No. 14/2012).

Sir, the Indian IT and BPO sector constitutes one of the biggest consumers / end users of the data services, and require huge bandwidths to remain connected with their clients. They are the bulk buyers of bandwidth and contribute majorly to the international connectivity pie. The contribution of the IT-ITeS industry to the Indian economy has been multidimensional. The sector has made significant contributions in GDP Contribution, FDI Inflow, Employment Generation, Exports, Driving Technological Innovation etc.

Therefore it is imperative that the cost of international connectivity, particularly landing charges, be significantly brought down from the current levels. This will provide much needed impetus to the sector. TRAI has as always taken the correct step in bringing the charges to a realistic level.

Thanking you,

Respectfully submitted,  
for **Other Service Providers Association of India**



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