Dear Sir(s) -

This is a provisional response to the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge (Amendment) Regulations, 2017 dated 18th December, 2017.

We will be submitting our final response by 12th Jan 2018, however since the subject matter has serious impact on the Syniverse clearing house we are sharing with you our concerns and pain areas.

To: Mr. Kaushal Kishore

We, Syniverse Technologies (India) Private Limited ("Syniverse") would like to bring to your notice that we look forward for the opportunity to work with TRAI on a fair and equitable way considering the present cost of MNP being moderate costs for consumers and operators while it preserves enough revenue for a high quality MNP Clearinghouse and database services as an add-on.

We would like to you to note the following points/comments with respect to the Draft MNP regulation in File No. 15-01/2016-F&EA received by us:

1) The proposed price of Rs. 4 (Rupees Four) as 'Per Port Transaction Charge' is much lower than the actual cost being incurred by Syniverse as 'Per Port Transaction Charge'. The cost computed by Syniverse takes into account tax costs and removes spikes of porting volumes conducted under exceptional circumstances (i.e., shut down of an operator network). In fact, the current cost per port in 2016-2017 fiscal year is close to Rs. 11 (Rupees 11).

   As per Syniverse, India already enjoys among the lowest charge for per porting as compared to any country having a centralized MNP database. This drastic decrease in the 'Per Port Transaction Charge' is completely incomparable for Syniverse.

2) Syniverse would like to state that the analysis by TRAI should be re-looked considering the following facts:

a. **For the assumption that porting transaction volume will continue to increase:** Please note that with closure of several operators and mergers of others there will soon be only 3 major operators (Idea+Vodafone, Reliance Jio and Bharti Airtel). These future facts would result in reducing the competition and thus options for subscribers to port to different operators would freeze.

b. The historical porting volumes do not take into account the pending merger of Idea with Vodafone which has accounted for XX% of the total ports in India[SY1] in November 2017. When this merger is complete we expect these ports do no longer take place thus reducing the number of ports significantly.

c. While Syniverse is potentially inclined to agree that, due to market consolidation, a spike in volumes may occur from time to time, albeit it we deem that limited. Over time the volume will decrease due to this market consolidationThe historical porting volumes includes porting transactions performed under exceptional circumstances of mergers and network shut down from operators such as RCom, Aircel, Tata, which have contributed to a high volume of ports from one single operator over a short span of time and is not a voluntary act by the subscribers. Thus being a one-time event which should not be taken as a precedent for considering volume of ports.

3) **"Huge Upsurge"**: In point 1.5 of the Explanatory Memorandum has mentioned 64 lakh ports in 2010-11 as the start point for showcasing the increment in the subsequent years. However, this increase is made to appear very dramatic as in 2010-11 fiscal year the first 3 of 5 months were the initial months wherein the processes were immature, subscribers were unaware, and some operators were not prepared to promote and activate porting requests received by them. As a matter of fact the fiscal year 2010-11 should not have been considered for setting the start point for comparative range. The proof of this lies in the stabilization of the volumes, until the launch of a new market entrant – Reliance Jio.

4) The costs cited by TRAI do not include costs Syniverse has absorbed due to changes in regulations including the above mentioned inter-zone Full-MNP porting in 2015.

5) Further there are additional costs which Syniverse has to borne in the coming future. Those costs include modifications being proposed for improvising the process to obtain a Unique Porting Code (UPC) and the porting process. Syniverse also has an upcoming cost for the upgradation planned to provide TRAI the information on access number portability via a web services API. We estimate these two changes together will cost between Rs. XX and XXX to develop, test and implement.

6) Moreover these costs cited by TRAI have not included the capital expenditure that needs to be incurred by Syniverse to refresh hardware and improve the solution's capacity, stability, security and availability on an ongoing basis. In 2017, Syniverse invested Rs. 3.5 Crores to maintain the solution and has planned to spend approximately Rs. 5.1 Crores in 2018 upon agreement to renew the MNP agreement in India. This will now be on hold until the pricing in the renewal term is known.

7) TRAI has also disregarded the additional costs for doing a testing and certify new operators who would enter the market and also changes in the operator's interfaces due to changes made by the operators.

8) We urge TRAI to consider that the volumes have increased over time, so have the costs been incremental. In fact, personnel costs to manage and operate the clearinghouse increases year over year.

9) Finally, as an alternative to such a drastic action to reducing the port price to 4 INR Syniverse would suggest A tiered pricing approach introduced in the renewal after March 2019 so that higher volumes result in progressively lower per unit pricing to moderate costs for operators.

Syniverse also proposes that a 3rd party consultant be brought in to study porting history and create a projection of future porting volumes to determine a fair and reasonable estimate on the number of ports pan-India. Likewise, a true-up of costs should be conducted to ensure the end calculation is also fair and accurate.

Another potential adjustment would be to simplify India MNP operations for operators and TRAI by consolidating nationwide MNP under Syniverse or allowing Syniverse and the other MNP clearinghouse to share costs (MNP platforms and/or data centres) in order to reduce costs per porting transaction.

Thanks

Janmajoy Chhotroy

CTO

Syniverse Technologies India pvt ltd.

From: Janmajoy Chhotroy
Sent: Wednesday, December 27, 2017 11:42 AM
To: fa@trai.gov.in
Cc: sbhanot; skmishra@trai.gov.in; pradvnsl@trai.gov.in; advmn@trai.gov.in
Subject: MNP Per port charge response

Respected Shri. Kaushal Kishore -

This mail is with regards to the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge (Amendment) Regulations, 2017 dated 18th December, 2017.

Since the proposed pricing has direct impact on our clearing house sustainability we have asked our US product team to provide inputs prior to responding to your letter.

We have raised the subject matter with our US office based out of Tampa Florida, due to the christmas holidays our US counterparts are on leave and we would request you to give us time to respond to your letter by 12th Jan 2018.

Regards
Janmajoy Chhotroy
CTO
Syniverse Technologies India pvt ltd.

January 10, 2018

To:
Mr. Kaushal Kishore
Advisor F&EA
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar lal Nehru Marg,
Next to Zakir Hussain College,
New Delhi – 110 002

Ref: Draft MNP regulation in File No. 15-01/2016-F&EA

We, Syniverse Technologies (India) Private Limited ("Syniverse") look forward to working with the TRAI to establish a fair, reasonable and equitable price for consumers and operators while preserving enough revenue to continue to operate a high quality MNP Clearinghouse and database services.

Syniverse would like to bring to your notice the following facts and comments with respect to the Draft MNP regulation in File No. 15-01/2016-F&EA.

If the price of number portability is set at Rs. 4 (Rupees Four) as 'Per Port Transaction Charge', then Syniverse will find it commercially unviable to continue providing MNP services given its requirement to focus on delivering high quality services. Any price revision can be considered as a part of the license renewal deliberations and discussions, so the clearing house vendors can make the informed decisions based on their business cases for the life of the new licensing period.

The proposed price of Rs. 4 (Rupees Four) as 'Per Port Transaction Charge' is much lower than the actual long-term historical cost incurred by Syniverse. We believe the cost per port should be computed by accumulating each year's costs and volumes together since the inception after making adjustments towards:

    i)   cost of capital @ 15%;
    ii)   cost towards software and manual changes done by Syniverse based on regulations;
    iii)   volumes under exceptional circumstances i.e., shut down of an operator network; and
    iv)   corporate overheads.

In addition, the cost per port can only be determined historically. There are certain costs to operate the platform that are fixed in the short term. If the volume of ports increases then the cost per port would be reduced, but if the volume of ports decreases, then the cost per port would increase.
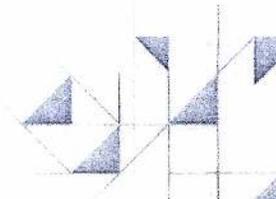
Syniverse believes the current merger and acquisition activity (i.e., merger of Vodafone with Idea, closure of Tata and Reliance Com 2G networks) will soon reduce the market to only 3 major operators:

- Idea – Vodafone group;
- Reliance Jio; and
- Bharti Airtel.

This market consolidation will result in fewer choices for subscribers to port to different operators leading to a steep decrease in porting volumes. To illustrate this, consider that in August 2017 (the most recent full month before extraordinary porting volumes began) ports between Idea and Vodafone accounted for 16% of the total ports within MNP Zone 1. When the merger between Idea and Vodafone is complete, these ports will not occur in future. Further, Syniverse' analysis indicates that the consolidation to 3 major operators could reduce ports by about 72% as currently 28% of current porting volume is between these 3 operators.

Syniverse would like to state that the cost per port analysis put forward by the TRAI should be re-examined as it does not factor in additional planned costs, which must be borne by MNP service providers in the future. Those costs include:

i)   proposed modifications for improvising the process to obtain a Unique Porting Code (UPC) via SMS and reducing the porting timeline to one day.

ii)   upgradation planned to provide the TRAI with access to number portability information via web services API. Syniverse estimate these two changes together will cost between Rs. 3.1 and 6.2 Crore to develop, test, implement and deploy.

Moreover, the costs cited by the TRAI have not included future capital expenditure to be incurred by MNP service providers to refresh hardware to maintain the solution's capacity, stability, security and availability on an ongoing basis. For instance, in the fiscal year 2017-2018, Syniverse invested Rs. 3.5 Crores to maintain the solution and plans to spend additionally approximately Rs. 5.1 Crores in fiscal year 2018-2019 if it were to be awarded a renewed MNP license in India. This planned expense is now on hold until the pricing in the renewal term is known.

Considering the aforementioned, Syniverse believes the current porting price of Rs.19 is fair and reasonable and should not be revised now.

Syniverse considers that the pricing discussion will also impact the future roll-out and expansion plans of the MNP service providers. Given that the MNP licenses are up for renewal in March 2019, Syniverse considers that the pricing discussion must also be carried out as part of that process in order for the existing operators to decide on continued expansion plans. It goes without saying that a low price will impact the quality of the services and the growth of telecom sector in India.
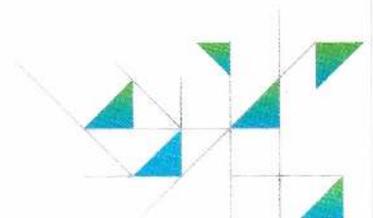
Syniverse looks forward to working with the TRAI on devising a fair and reasonable price model that ensures that the Indian mobile subscribers, operators and the TRAI continue to enjoy a world-class, high-quality, reliable number portability services.

With kind regards,

Paresh Shah

For Syniverse Technologies (India) Private Limited
Paresh Shah
CEO