

August 5, 2009



**Advisor (MN)**

**Telecom Regulatory Authority of India**

Mahanagar Doorsanchar Bhawan,

J.L.Nehru Marg, New Delhi – 110 002.

**Kind Attn. : Shri. Sudhir Gupta**

**Re. : TRAI consultation paper Determination of Port Transaction charge, Dipping Charge and Porting Charge for Mobile Number Portability**

Dear Sir,

At the outset, we thank you for the opportunity given to us to present our views on the Porting charges etc. as a part of the Mobile Number Portability to be implemented in India. As highlighted in our earlier communications, IDEA Cellular remains committed to the efficient roll-out of Mobile Number portability. In this regard, you may note that currently many issues relating to MNP roll-out remain open & implementation of MNP as per present timelines looks increasingly difficult. We hope TRAI & DoT would address pending issues at the earliest & modify the implementation timelines accordingly.

Our response on queries raised vide your consultation paper are as follows :

**Q1 Whether the network elements, cost details and the cost structure considered for estimating the port transaction charges are appropriate? If not, give reasons.**

**Idea's Response :** The data provided in the consultation paper is insufficient for us to validate the estimation of the per port transaction charges, especially, since the business case presented by the two MNPOs is very different. In the absence of complete details, we are not in a position to give our views on this question.

A handwritten signature in black ink, appearing to be "Sudhir Gupta".

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**Q2 Do you agree with the factors affecting the number of porting as discussed in chapter-4? Please indicate if any additional factors are required to be taken into account.**

**Idea's Response :**

The consultation paper highlights a few factors affecting the number of portings. In this regard, certain other additional factors which may impact porting rates significantly, include the amount of porting fee, time to complete porting, the product mix between prepaid and postpaid, attractive tariff plans, the Quality of Service in the concerned service area, subscriber awareness regarding number portability, time to resolve disputes & porting process complexity etc.

**Q3 Whether the projection of the subscriber base and annual rate of porting as explained in the paper for the next 5 years is reasonable? If not, give your estimation of annual porting rate along with the reasons.**

**Idea's Response :**

Both DoT & TRAI have elucidated indicative figures on subscriber growth. It is seen that the subscriber growth being forecasted by both MNP operators seems to be at variance with DoT/ TRAI figures. TRAI may like to seek clarity on the same from concerned operators.

**Q4 Based on the cost details, what is your estimation of per port transaction charge? Justify your estimation and supplement it with the worksheets.**

**Idea's Response :**

The data provided in the consultation paper is insufficient for us to validate the estimation of the per port transaction charges. The business case presented by the two MNPOs is very different, the assumptions are different, and so are the recommended porting fees from both the MNPOs. In fact the costing shown is not understood by us. In absence of the same, we are not in a position to respond to this query.

**Q5.What should be the time period for review of per port transaction charge?**

**Idea's Response to Q5:**

Since MNP is new in India, all the business cases are based on estimations, which can be validated only after actual data is gathered post actual roll-out. Thus it is recommended that the per-port transaction charge should be reviewed every year.

**Q6.What is your estimation about the number of voice/SMS/MMS dipping which may take place in the MNP service provider's Query Response System?**

**Idea's Response to Q6:**

The per dip charges proposed by both the MNPOs are quite different, and it may be impractical for any operator to pay such a high charge, as each call attempt would have to 'dip' in to the central database. The volumes could also vary in case any of the larger operators decide to use the QRSDB. Hence the dipping charges need to be decided on the basis of cost incurred as well as volume of dipping incidences & should ideally be decided mutually between the concerned parties.

Further, in the consultation paper, it is mentioned that some SMS aggregators and mobile content providers may use the QRSDB of MNP Service Licensee. In our earlier discussions with DoT, it has been mentioned that the content providers or 3<sup>rd</sup> Parties would not be able to dip with MNPOs & only authorized service providers can do the same. Hence it is requested that this situation should be clarified at the earliest, since this could have direct bearing on costs, system architecture as well implementation schedule.

**Q7.What should be the factors which may be considered for the estimation of the Dipping charges.**

**Idea's Response to Q7 :**

The consultation paper has listed various factors, though the number of service providers who may use the query database may be different. Apart from the factors already stated, the additional factors that should be considered include the features provided by the MNPOs in their query database system, response time for each of the 'dipping', latency during the transaction, Interface / protocols supported, availability of the QRSDB etc.

**Q8 (a).Whether the recipient operator should be allowed to charge the porting charge from the porting subscriber?**

**(b) If yes, should porting charge be equal to or less than or more than the per port transaction charge? Give reasons to justify your view? (c) If no, give reasons to justify your view.**

At the outset, we wish to state that in addition to huge costs incurred for up-gradation of networks/ systems, porting of subscriber would involve considerable changes in the current customer facing processes, billing procedures, inter-operator settlement & escalation issues, handling of subscriber queries on porting etc. This would involve both capital expenditure as well as the operating expenses on an ongoing basis. We thus

believe that sharing of porting fee needs to be done on the basis of work done by each operator (whether recipient or donor).

**Idea's Response to Q8 (a) :**

Yes, the recipient operator should be allowed to charge the porting charge from the porting subscriber.

**Idea's Response to Q8 (b) :**

The porting charge should be more than the per port transaction charge for the following reasons.

To execute the porting process, the amount of work done by the Recipient Operator, MNPO and Donor Operator, should be the basis on which each of the operator should be able to recover the costs they have incurred for the processing of the port requests.

Total Porting Charge = Per Port transactions charges (MCH)

**PLUS**

Additional Processing cost incurred by Recipient Network Operator

**PLUS**

Additional Processing cost incurred by the Donor Network Operator

**Q9. Whether the porting charge, if any, paid by the subscriber to the recipient operator, should be shared with the donor operator? Give reasons to justify your view.**

**Idea's Response to Q9 :**

The Authority is aware that MNP would involve a complex process/ procedure which impacts all customer facing functions etc. To enable porting, there is work done at the end of Donor Operator (DO), Recipient Operator (RO) and the MNPO which involves additional expenditure both in terms of capital as well as operating expenses.

- a. Therefore the recipient operator should be allowed to charge a porting charge from the porting subscriber . The porting charge should be such that it adequately compensates all the three operators, namely RO, DO and MNPO. Hence we propose that porting charge paid by the subscriber to the RO should be shared between MNPO, DO and RO on basis of work done principle.

- b. For example, the recipient operator would have to take care of transaction slip (as formulated by DoT), undertaking / payments to donor/ MNPOs, documentation delivery to DO, set up mechanism for porting queries of customers as well as coordination with MNPOs, arrange for smooth MNP start-over for customer or arrange for information in case of porting rejection etc., de-activation of customer in case of DO related disputes, process activation & de-activation, maintain records of rejection, updations of local data base upon receipt of LRN from MNPO etc.
- c. Similarly , the DO also has to take care of validation of port out requests, documentation checking & reconciliation , data entry of documents received from RO & filing of documents, tracking the port requests coming from RO, communicating the acceptance or rejection reasons to RO as defined , setting up mechanism for porting queries of customers, coordination with MNPOs for smooth MNP stop-over for customer, set up systems for tentative date of porting & disconnection of the subscriber number upon receipt of the instructions from MNPO, maintain records of rejection, updations of local data base upon receipt of the LRN from MNPOs, etc. It is also pertinent to note that a Donor operator incurs subscriber acquisition cost. With the introduction of MNP the subscriber is moving away from DO with the same number, this is not the same case as normal churn. Hence there is a case for donor being compensated through a mechanism of sharing of porting charge.
- d. In addition to the above, the service provider/ MNPOs would be incurring costs for establishment of connectivity. This will involve one time Capex and also recurring Opex. Hence the service providers should be compensated for these costs.

It is thus recommended that the sharing of porting fee needs to be done on the basis of work done by each operator (whether recipient or donor).

We hope the Authority would kindly consider the above issues before finalizing the porting charges. As requested all concerned parties viz. Donor operator, Recipient operator & the MNPO would have to incur various costs (both capex & opex) for which each party should be adequately compensated for on the basis the principle of 'work-done'.

Thanking You,

**For IDEA Cellular Limited**



**Rahul Vatts**

**Assistant Vice President - Regulatory**