

OTHER SERVICE PROVIDERS ASSOCIATION OF INDIA

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

S.V. RAMANA
President

SANJAY DIWAN
Vice President

SANJAY PRASAD
Vice President

P. V. RAMADAS
Treasurer

N. L. VERMA
Secretary General

Ref. No.

Date: 19th April, 2012

Shri Arvind Kumar
Advisor (I&FN)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, (Old Minto Road),
New Delhi – 110 002

Sub: **Consultation Paper [No. 08/2012 dated March 22, 2012] on Access
Facilitation Charges and Co-location Charges at Cable Landing Stations**

Ref: **TRAI letter No. 416-3/2010-I&FN dated 4th April 2012**

Dear Sir,

This is with reference to the captioned Consultation Paper [No. 08/2012] released by Hon'ble Authority on 22nd March 2012 to seek stakeholder comments. We also request reference to our letter dated 29th March 2012 seeking a week's extension of time for providing comments.

At the outset, we would like to sincerely thank the Hon'ble Authority for releasing the consultation document on such an important matter and also for extending the date to file comments.

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. OSPAI closely works with DoT, TRAI, Ministry of Law, STPI, SEZ, various Associations and Industry representatives to achieve growth of the Outsourcing Industry. We have been closely working with DoT and other Industry Associations for last four years and have made significant progress in relaxing the stringent policy guidelines and procedures for the overall growth of the outsourcing industry.

We believe that such a review is in line with TRAI's established process of consultation 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.



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OSP AI members represent the end user / customer segment which essentially depend on the international connectivity to serve clients. Our comments are from the said perspective. The consultation paper duly notes 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.

TRAI has duly recognized the importance of international connectivity at affordable prices, for the overall growth of BPO sector in various sections of the consultation document 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 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."



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OSPAI welcomes the above forward looking statements in the Consultation document that seeks to bridge the digital divide and to further boost Indian economy, considers affordability of international bandwidth prices, significantly access facilitation charge at CLS, needs a review.

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.

Any increase on charges like landing charges will be passed on to end users and likely inflate the prices This is undesired by the industry .Therefore it is imperative that the cost of international connectivity , particularly landing charges , be reviewed and brought down from the current levels. This will provide much needed impetus to the sector

We trust you will find our submissions in order and will consider them while reviewing and determining the CLS / AFA charges as the significant factor in the overall international connectivity.

Thanking you,

Respectfully submitted

for Other Service Providers Association of India



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