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WORLD PHONE
World Phone Internet Services Private Limited
C-153, Okhla Industrial Area, Phase I, New Delhi 110 020
Tel: +91 11 2690 2000 Fax: +91 11 2690 2000 Extn. 101
Email: info@worldphone.in
Website: www.worldphone.in

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To.
Mr. S.K. Gupta
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
Old Minto Road,
New Delhi -110002

Subject: Consultation Paper on issues related to Internet telephony -no. 11/2008.

Dear Sir,

This is with reference to the consultation paper on issues related to Internet telephony -no. 11/2008. We feel that the initiative taken by TRAI to allow VOIP services over PSTN is a bold one and needs to be applauded. Despite a major boom in telecom penetration in the country over the last 6 years – the Government has failed in the two key areas – penetration of rural telephony remains abysmally low; penetration of broadband internet has failed to meet targets – year after year. To give an example – China has 60 million broadband connections compared to India's 3 million. This is a brilliant initiative by TRAI to increase broadband penetration as well as increase in rural telephony.

The principal driving force behind the worldwide success of broadband Internet has been 'music and video downloads' via file sharing services like Napster and Kazaa. Now that these services have been termed illegal, what will be the next driving force?

Current success of Internet telephony companies like Vonage clearly indicates that Internet telephony is the application that is driving the current demand for broadband. There are over 7 million Internet Telephony customers in the United States and other nations have also experienced rapid growth.

Internet telephony has the potential to spur demand for broadband in India and increase its penetration many fold. Moreover, the introduction of low priced calls will drive lower prices across all sectors ultimately benefiting the customer.

We are seeing lower international call rates thanks to international internet telephony. Opening up internet telephony to ITSPs for local/ NLD calls will have similar effect on rates in this sector. World Phone will on its part do its best to lower the cost for customers by as much as 70% as it has done in international telephony.

Our opinion is that Internet Telephony should be restricted to class A ITSPs because one of the advantages of Internet Telephony is that it can run on any ISP network so the last mile unbundling issues are not there. It is very much possible for a customer to buy the service from a class B ITSP in his service are but use the service in ANOTHER SERVICE AREA. This is happening even now and there is no way to monitor such customers as all monitoring takes place at the switch location only.

We have refrained from commenting on chapters 1 to 3 and on annexure I, II and II. Our answers to specific questions as raised in chapter 4 are below:

4.1 Whether Internet service provider should be permitted Internet Telephony services to PSTN/PLMN within India? If yes, what are the regulatory impediments? How such regulatory impediments can be addressed?

4.1 – Yes, the ISPs should be allowed to interconnect. The license fee of 6% AGR for ITSPs already exists hence there will be no revenue loss to the government. Hence, the regulatory implications need not be read in-depth, instead the benefits to an end user could be taken into consideration.

4.2 Whether allowing ISPs to provide Internet Telephony to PSTN/ PLMN within country will raise issues of non-level playing field? If so, how can they be addressed within present regulatory regime?

4.2 – We feel that the level playing field itself should be linked to the "business opportunity" and not to a category of service. Voice business opportunity through the world is shifting towards mobile technology; hence land-line and other dependent voice services like VoIP should not be seen at par with mobile technology. The business opportunity, because of the technical and functional advantage is not same between mobile and VoIP services. The percentage of loss through cannibalisation from other technologies is very limited hence introduction of domestic internet telephony services cannot be termed as non-level playing field. As VOIP remains a fixed line service and there is a current initiative by the government to remove license fees on fixed line services.

4.3 ISPs would require interconnection with PSTN/PLMN network for Internet telephony calls to PSTN/PLMN. Kindly suggest Model/ architecture/ Point of Interconnection between ISPs and PSTN/PLMN?

4.3 – The Interconnection is required and the location could be the POP location(s) of an ISP. The ISP should be allowed to carry the traffic over Internet or through dedicated links between their POPs and other ISPs and could handover the call to the PSTN/PLMN interconnecting partner at a desired location. ISPs should be allowed to interconnect with the incumbent at the circle level and not SSA level.

4.4 Please give your comments on any changes that would be required in the existing IUC regime to enable growth of Internet telephony? Give your suggestions with justification to provide affordable services to common masses?

4.4 – The existing IUC charges may remain but ISPs should be able to hand over the traffic to incumbents at the circle level. Setting up POPs at SSA level will put a harsh burden on the ISPs and the cost advantage to the customer will be lost.

4.5 What should be the numbering scheme for the Internet telephony provider keeping in view the limited E.164 number availability and likely migration towards Next Generation Networks?

4.5 – A two digit code signifying Internet Telephone Services, a three digit Service Provider code and five digit customer codes will suffice. Example 72-XXX-YYYYY. This will provide up to 10 crore numbers for Internet Telephony services. This should be sufficient for a long time. As and when they finish, another code like "73" may be initiated. TEC will be in a better position to identify such a numbering plan.

4.6 UASL and CMTS operators are allocated number resources and permitted to provide Internet telephony including use of IP devices/Adopters. Whether such devices should be allocated E.164 number resource to receive incoming calls also? If so, whether such number resources should be discretely identifiable across all operators and different than what is allocated to UASL and CMTS to provide fixed and mobile services? Give your suggestions with justifications?

4.6 – Please see 4.5 above.

4.7 If ISPs are allowed to receive Internet telephony calls on IP devices/ Adopters, what numbering resources should they be allocated?

4.7 – Every category A ITSP should be allocated a 3 digit operator code and 5 digit customer plan. With this an ITSP can service up to 100,000 customers. If he runs out of numbers, an additional 3 digit operator code may be allocated to him.

4.8 Is it desirable to mandate Emergency number dialing facilities to access emergency numbers using internet telephony if ISPs are permitted to provide Internet telephony to PSTN/PLMN within country? If so, Should option of implementing such emergency Number dialing scheme be left to ISPs providing Internet telephony?

4.8 – Emergency number dialling can be made available for every client and also could be made as free. In case if a service provider is not offering the same, the information should be provided to the customers in advance.

4.9 Is there any concern and limitation to facilitate lawful interception and monitoring while providing Internet telephony within country? What will you suggest for effective monitoring of IP packets while encouraging Internet telephony?

4.9 - A lighter monitoring regime without affecting the security of the country is suggested. As in example of USA which initially had a lighter monitoring requirement from VOIP providers to enable their growth and has only in 2007 when the number of VOIP customers has exceeded 6 million connections has demanded that the VOIP operators provide the same facilities as incumbent operators.

4.10 Is there a need to regulate and mandate interoperability between IP networks and traditional TDM networks while permitting Internet telephony to PSTN/PLMN within country through ISPs? How standardization gap can be reduced to ensure seamless implementation of future services and applications? Please give your suggestions with justifications.

4.10 – Seamless services by way of mandatory interconnection norms should be prescribed. The calls from and to a VoIP service provider should be entertained by both TDM operators and other VoIP operators. VoIP as a technology shouldn't be a criteria to limit the interconnection capabilities. All

facility of a TDM telco on interconnection should be provided. All Telcos and incumbents should be mandated to not block any ITSP provider.

4.11 Is there a need to mandate QoS to ISPs providing Internet telephony to PSTN/PLMN within country? Please give your suggestions with justifications.

4.11 – QoS shouldn't be mandatory to be same as the other TDM services as VOIP service can be affected by many factors – the quality of broadband connection and power supply among others. An operator may announce in advance the restrictive nature of the VOIP service and the quality differential to TDM services.

Sincerely,

For World Phone Internet Services Pvt. Ltd.

Rajiv Kumar
Chief Operating Officer