



**Association of Unified Telecom Service Providers of India**

AUSPI/12/2012/083

18<sup>th</sup> June 2012

Dr. Rahul Khullar,  
Chairman,  
Telecom Regulatory Authority of India,  
Mahanagar Door Sanchar Bhawan,  
Jawaharlal Nehru Marg,  
New Delhi

**Sub: AUSPI's Counter Comments on Comments received on TRAI Consultation Paper No. 10/2012 on Review of the Telecommunication Interconnection (Port Charges)**

Dear Sir,

AUSPI thanks the Authority for giving opportunity to the stakeholders for providing counter comments on the comments received on the above mentioned TRAI Consultation Paper.

We are pleased to enclose herewith our counter comments for your kind perusal and consideration.

Thanking you,

Yours faithfully,

  
**S.C.KHANNA**  
**SECRETARY GENERAL**

Copy to:

1. Shri R. Ashok, Member, TRAI
2. Shri R. K Arnold, Member, TRAI
3. Shri Rajeev Agrawal, Secretary, TRAI
4. Shri Arvind Kumar, Advisor ( I & FN), TRAI



## AUSPI'S COUNTER COMMENTS on Comments received on TRAI Consultation Paper No. 10/2012 on Review of the Telecommunication Interconnection (Port Charges)

AUSPI would like to give counter comments on BSNL's following comments:

- 1) TRAI has considered only the incremental cost of upgradation of TAX and not of the network. The complete cost of upgradation should be taken into account while deciding Port Charges
- 2) CAPEX already incurred to provide POI has not been recovered so far.
- 3) Port Charges should be based on slabs.
- 4) TRAI does not have Jurisdiction to issue Regulation to change License Conditions.

### **AUSPI's Counter comments**

- 1) *TRAI has considered only the incremental cost of upgradation of TAX and not of the network. The complete cost of upgradation should be taken into account while deciding Port Charges*

### **AUSPI's Counter Comments**

Port means a place of termination on a switch/distribution frame to provide interconnection. Thus Port Charge should only recover costs towards "incremental capex". Costs of Media, transmission systems, local exchanges and other network elements are not relevant towards port charges and these are factored in IUC/Tariff. Inclusion of costs for other network elements towards ports would result in double recovery of these costs.



**In view of the above AUSPI requests TRAI that BSNL submission to include network elements like media, transmission equipment, switches etc in Port Charges should be rejected.**

*II) CAPEX already incurred to provide POI has not been recovered so far.*

**AUSPI's Counter Comments**

There is no basis of the BSNL statement that the port charges paid have not fully recovered incremental cost towards ports in 10-12 years of port charge regime. AUSPI notes that BSNL has not submitted any financial data in support of their claim that cost incurred towards Ports has not been recovered.

BSNL in its comments admits that IP TAX are being used to replace TDM TAXs as BSNL TAX's have outlived their useful life and that is why these exchanges are being replaced.

**In view of the above AUSPI submits that BSNL has already recovered cost towards POI. TRAI should decided Port Charges based on IP switches only and Port charges should be much lower at Rs 6000 pm per E1 compared to Rs 10,000 per E1 proposed by the TRAI.**

*III) Port Charges should be based on slabs*

**AUSPI's Counter Comments**

**Port Charges should not be based on slabs.**

The benefit of higher slab is not applicable if interconnection seeker demands at different points of time. As service providers rarely provide consolidated demand and expand capacity when traffic increases, the benefit of higher slab is not available. In view this AUSPI suggests that Port Charges should not be based on slabs. The suggestive per E1 Port Charges is appropriate.



IV) TRAI does not have Jurisdiction to issue Regulation to change License Conditions

**AUSPI's Counter Comments**

TRAI has full jurisdiction to decide and review Port Charges.

BSNL admits TRAI jurisdiction on Port Charges and also charging Port Charges as per the Regulation from 2001. After 11 years of inception of Port Charges Regulation, it is too late for BSNL to challenge TRAI Jurisdiction.

TRAI powers to decide Port Charges can also be drawn from the UASL and CMTS licenses which mention that the interconnection between the two service providers will be as per their mutual discussions and agreements which are subject to the directions issued by the TRAI from time to time. The relevant provisions from UASL are as follows:

*"27.2. The charges for accessing other networks for inter-network calls shall be based on mutual agreements between the service providers conforming to the Orders/ Regulations/ Guidelines issued by the TRAI from time to time.*

*27.3 The network resources including the cost of upgrading/ modifying interconnecting networks to meet the service requirements of the LICENSEE will be mutually negotiated keeping in view the orders and regulations issued by the TRAI from time to time".*

In view of the above AUSPI requests TRAI to reject the BSNL submissions of TRAI jurisdiction to notify Port Charges.

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