



To,

Advisor (BB&PA)
Telecom Regulatory Authority of India
Mahanagar Door Sanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)

No. Regln/1-4/2011/5784

dated:13.06.2020

(Kind Attention: Shri S.K. Singhal)

Sub: Consultation Paper on “Review of the Regulatory Framework for Interconnection.”

Please refer to this office letter of even number dated 03.07.2019 vide which comments of BSNL on the Consultation Paper on “Review of the Regulatory Framework for Interconnection” were submitted. In view of evolving technological structure of wireline network, BSNL has reviewed its submission as comments to the said consultation and has felt the need to have flexibility with respect to mandate of having Wireline to Wireline POIs only at SDCA level for future connectivity while retaining the existing interconnection levels at SDCA level.

2. It is requested that while working out any new framework for Interconnection of Wireline Networks the followings may be considered:
 - a) The existing interconnection between two Wireline Networks should continue to be at SDCA level as BSNL has already incurred expenditure for the infrastructure as per existing regulations to facilitate the SDCA level connectivity to other TSPs of wireline services. If annual infrastructure charges are not continued on existing SDCA POIs, BSNL will have to incur losses, as the infrastructure will not be used in future as well. However, for new interconnections, the interconnecting operators may be given flexibility to interconnect at SDCA or LDCA level depending on availability of their network elements. The wireline operator providing service in an SDCA is expected to have sufficient infrastructure at least at LDCA/district level, therefore in case of non-feasibility of POI at SDCA (from the new operator) where the services are scheduled/planned to be started by the new operator, the connectivity may be allowed at LDCA level. In such cases, BSNL considers providing the POI at LDCC instead of SDCC. However, in such cases BSNL should be allowed to charge the cost of carrying the calls from LDCC to SDCC or vice versa by defining suitable carriage charges per minute of use.
 - b) BSNL has been operating and maintaining PSTN exchanges at SDCA level and it has incurred huge expenditure to provide connectivity to other TSPs. As the existing license conditions and regulatory framework expected BSNL to provide POIs to private operators at SDCA level, BSNL has continued to plan and roll out its network in such a way that it is technical feasible for BSNL to have POIs at SDCA level and for which BSNL had made substantial investment over the years. The networks cannot be expected to migrate to new layout with sudden change of interconnection rules. **Therefore it is submitted that the new arrangement should have no impact on the existing POIs to protect existing investments.** The existing POIs at SDCA level should continue to exist.

(Harinder Kumar)
GM (Regulation)

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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

To,

Advisor (BB & PA),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
(Old Minto Road), New Delhi-110002

(Kind Attn: Shri. S. K Singhal)

No. Regln/1-4/2011/ 8784

Dated: 03-07-2019

Sub: BSNL comments on TRAI's Consultation paper on "Review of the Regulatory Framework for Interconnection".

Kindly refer to your office press release no. 41/2019 dated 30.05.2019, vide which TRAI releases the Consultation paper on "Review of the Regulatory Framework for Interconnection".

In this context, para-wise comments on the subject matter is given below:

TRAI's Q1: Whether the flexibility be provided to interconnecting operators for interconnecting PSTN to PSTN networks at SDCC/ Level II TAX (SSA)/ Level I TAX (LSA) levels as per their mutual agreements? If no, then justify your comments with reasons.

BSNL reply: No, there should not be any flexibility to interconnecting operators for interconnecting PSTN to PSTN networks at SDCC/ Level II TAX (SSA)/ Level I TAX (LSA) levels. The reasons for the same are as follows:

- A. **Level-I and Level-II TAX of BSNL are part of its NLD network.** No NLD TSP other than BSNL uses these terminologies. And no TSP other than BSNL has such exclusive deployment. It appears the proposed changes to present Interconnect arrangements are specific to BSNL only.
- B. The said proposal may violate the following provisions of TRAI Act:
- i) **Section-11, Subsection-(I) (b) (i) of TRAI Act** states that TRAI shall ensure compliance of terms and conditions of license.
- (1) **NLD license/ authorization does not allow NLD licensee to carry local, (intra-SDCA) calls.** NLD licensee – as per the definition – can carry only long distance calls which involve carriage. However, local, short distance calls involve no carriage and hence are not allowed to be carried by NLD licensee.

(2) **The proposal is against provisions in the Access Service authorization clause 2.2 of UL** which states as:

"However, subject to technical feasibility, the subscriber of the intra-circle long distance calls, shall be given choice to use the network of another Licensee in the same service area, wherever possible."

As such PSTN – PSTN connectivity at SDCA level for all TSP is mandatory to give choice to the subscribers of the intra-circle long distance calls.

- ii) **Section-11, Subsection-(I) (b) (vi) of TRAI Act** states that TRAI shall lay-down and ensure the time period for providing local and long distance circuits of telecommunication between different service providers.

The aforesaid provision of TRAI Act mandates local as well as long distance interconnectivity.

For PSTN service, local area is within SDCA i.e. interconnectivity within SDCA for local calls is mandatory.

- C. **As per existing license conditions/ regulations, direct connectivity in the SDCA is mandatory for PSTN-PSTN local calls. However, as per our information, except BSNL, presumably, none of the private TSPs have such connectivity.** For PSTN-PSTN, private TSPs have one or/ and two POIs only in the entire LSA. Similar connectivity is proposed through the present consultation process causing thereby huge loss to BSNL which is operating and maintaining exchanges at all SDCA level incurring huge expenditure on network, establishment and manpower.

Instead of taking action against other TSPs for violating license conditions/ TRAI Regulations, TRAI action seems to cause financial loss to BSNL which has steadfastly followed all license conditions/ TRAI Regulations, and have been continuously incurring huge expenditure on manpower, infrastructure and establishments over the years for adhering to the License/ TRAI Regulations.

- D. It appears that other TSPs, except BSNL, are taking too much liberty. They no longer require having Switch/ Media Gateway established at every SDCA for PSTN service. Most TSPs are operating from one/ two point of presence only in the entire LSA. However, further operational flexibility should not be provided to one TSP at the cost of BSNL. It will also be violative of **clause 2.2 of the Access Service authorization of UL.**
- E. **If any TSP can lay network in the SDCA for providing PSTN services, it should not have reservations in seeking interconnectivity at local/ SDCA level.**
- F. **Having provisions for interconnectivity outside the local area for local calls has all the probability of sabotaging and disrupting total communication in the SDCA.** There are, presently, only two modes of communication i.e. Mobile and PSTN, and Mobile has no SDCA level connectivity. In case if long distance media is disturbed, local calls are possible today and people are able to communicate, locally, only due to local, intra-SDCA connectivity – i.e. communication channel is working.
- G. Presently, most police stations, fire stations and ambulance services are set up at SDCA level to provide immediate emergency services to public. Accordingly, one important reason for local connectivity at SDCA level is accessibility to all the emergency services even when the mode of communication with outside SDCA is cut off due to cable cut, system failure, link failure, or any reasons for sabotage.

- H. It is not feasible and rational for BSNL to close down all its PSTN network establishments in all the SDCA and have network setup/ establishment similar to Private TSPs. BSNL huge PSTN network is primarily copper cable based and cannot be changed to optical fiber, either.
- I. **Present SDCA level interconnectivity for PSTN networks is in accordance to the present Numbering plan and Routing plan of DoT.**

TRAI's Q2: In case of no mutual agreement between the operators, what should be the level of inter connection for interconnecting PSTN to PSTN networks be mandated in the Regulations.

BSNL reply: The existing TRAI Act/ Regulation and License mandate PSTN to PSTN local interconnectivity at SDCA level. The same should be continued and enforced. TRAI Regulations cannot override the provisions in TRAI Act and DoT license terms and conditions.

Mandating PSTN to PSTN local, intra-SDCA interconnectivity at any other level shall have huge financial implication on BSNL – the potential loss to BSNL may be over Rs. 100 Crores per TSP, annually.

TRAI's Q3: Any other issue you would like to bring to the attention of the Authority

BSNL reply: Yes, the following issues need attention of the Authority:

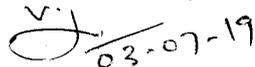
- A. Through the present Regulations, TRAI proposes to amend the "The Telecommunication Interconnection Regulations, 2018 (1 of 2018) dated 01.01.2018"; however, despite BSNL best efforts, the private TSPs have not responded to BSNL's initiative to implement the "The Telecommunication Interconnection Regulations, 2018 (1 of 2018) dated 01.01.2018 and its amendment dated 05.07.2018" through requisite addendum.
- B. **In accordance to TRAI Act/ Regulation/ DOT license conditions of PSTN connectivity at SDCA level for local calls, BSNL has been operating and maintaining PSTN exchanges at all SDCA level incurring huge expenditure on manpower and material. Every year BSNL spends Crores of rupees in manpower, establishment, equipments and networking at all SDCA level. However, other TSPs do not have such expenditure. Even today, BSNL is continually upgrading its SDCA exchanges to provide interconnectivity to other TSPs.**
- C. **Section-11, Subsection-(I) (b) (iv) of TRAI Act states that TRAI shall regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services – in view of the same and in consideration of "The Telecommunication Interconnection Regulations, 2018 (1 of 2018) dated 01.01.2018", the interconnection charges i.e. Port charges should be made differential in accordance to the costs of respective Ports to the TSP.**
- D. BSNL incurs huge costs in the establishment, operation and maintenance of Basic Switches at all SDCA level. More the number of establishments more are the associated costs which also includes manpower planning and deployment. It is always easy for a TSP whose expenditures are minimal, to offer services at cheaper

rates and thereby affect the revenue and viability of another TSP, whose expenditures are more. Hence, as long as there is imbalance in establishment of two interconnecting TSPs, the TSP with larger establishment has all the right to charge the other TSP and TRAI must bring Regulations defining differential interconnection charges, accordingly.

- E. Point of Interconnection and IUC are interrelated. **Since all TSPs have NLD license and who can carry long distance calls, TRAI must increase Carriage Charges. TRAI objective cannot be zero interconnection charges between TSPs.** It will demean TRAI objective of affecting revenue sharing between TSPs.
- F. The private TSPs have been riding on the huge infrastructure of BSNL for roll out and providing their services, especially in small towns, rural areas, remote areas and other non-viable areas. It is these establishments of BSNL at SDCA levels which has assisted private TSPs to operate from one place in the entire LSA and earn huge profit. Despite over 20 years of entry of private TSP in telecom sector, even as on today, not a single private TSP has ever established POIs at all the SDCA exchange.
- G. To bring parity of cost and expenditure with private TSPs, TRAI needs to ensure that in the existing scenarios, BSNL is compensated suitably for incurring such huge expenditure to comply with existing License/Regulation.
- H. BSNL requests the Authority to drop the proposed Regulation as it is not commensurate with existing TRAI Act/ Regulation/ DoT license and also draining BSNL revenue. It is also requested that, instead, the Authority should bring Regulations to create equity between different TSPs through differential Port charges, and higher Carriage and Transit charges.

In view of above, the Hon'ble Authority is requested to consider the above submission made by BSNL on the subject matter

Yours sincerely


(Ved Prakash Verma)

AGM (Regn-II)