

Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited

Q1. Is there a case for implementation of carrier selection in today's environment?

No, the current environment does not support a case for implementation of carrier selection. It would involve a huge cost out go which could be utilized for improving the tele-density.

The basic issue being broached by the consultation paper is on how to promote competition in Long Distance segment of telecom services, since despite as many as 21 NLD and 11 ILD service providers, the benefits of competition are not visible on the ground with the NLD tariffs continuing to be high, averaging around 2.60 INR vis-à-vis the ILD tariffs.

The key objective before us, therefore, is to ensure that the customer has access to alternative tariffs offered by various operators and is able to use the tariff package to his advantage. It should be possible for the Long Distance service provider and the customer to have a direct interaction rather than through the access service provider as is the case today and the TRAI should bring about a legislation mandating the same. However, while mandating, it is pertinent to ensure Level Playing Field between the existing and new operators.

To this effect, TTSL is of the opinion that the approach of using Calling Cards, as rightly suggested by TRAI, should be used for achieving the objectives as envisaged above, since the other approaches of call by call selection or pre-selection entail considerably more investments and are associated with issues which are complicated and uncertain in time frame for implementation.

Q2. Should carrier selected be implemented only in fixed, only in mobile or both.

Carrier Selection by the classical methods of call by call selection or pre-selection should not be implemented at all. However, if deemed unavoidable, it should be implemented simultaneously for both fixed and mobile networks.

Q3. Should only call-by-call carrier selection (CS) or both CS and Carrier Pre-Selection (CPS) be implemented in the fixed and mobile networks?

We are neither in favour of introducing Carrier Selection by call by call method nor Carrier Pre- Selection, instead we are suggestive towards the use of Calling Cards.

Q4. In case both CS and CPS are implemented then in view of no major network changes in CS should it be implemented first? Give your suggestions for a reasonable time frame of implementation of CS and CPS.

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Q13. What should be the reasonable time frame for implementing carrier selection separately for fixed and mobile, CS and CPS in both the networks and prepaid and post paid in case of mobile?

If it is decided to implement CS and CPS then CS should be implemented first since for implementing CS, no major network changes may be required. Further, the implementation should be simultaneously across the entire industry, all networks and both post paid & prepaid and not in stages. The time frames should be arrived at after due consultations with all stakeholders.

Q5. For what type of calls described in Chapter 1 section 3 should carrier selection be implemented?

If it is decided to implement CS and CPS, then it should be implemented for NLD as well as ILD calls for all NLDos and all ILDOs.

However, the customer should be allowed to pick and choose an option/combination convenient to him.

Q6. In case of CS what should be the policy for default carrier considering the cost and benefits to the customer.

The customer should specify the default carrier. It has been internationally observed that in the absence of such a directive, the access provider is at an advantage since he is the default carrier in the absence of CPS.

If it is decided to implement CS and CPS, we are in agreement with TRAI's direction dated 24th July 2002 envisaging that in all cases of long distance calling, in which the subscriber has not pre-selected his carrier and has also failed to dial the four-digit pre-fix i.e. Carrier access code (CAC), the calls will be routed by the Access Providers (BSOs/CMSOs) to a recorded announcement. Through the announcement, the subscriber shall be requested to select his long distance carrier either on the basis of Call by Call or Pre-selection. If he does not make the choice, the announcement will request him to do so. In effect, therefore, consequent upon the full implementation of Carrier Selection i.e., both Call by Call /Pre-selection, there will be no default traffic.

Q7. If it is to be implemented in mobile network, should CS and CPS be implemented for both prepaid and post paid customers?

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Q8. In what way should carrier selection be implemented for roaming customers?

In view of the fact that pre-paid connections constitute nearly 80% of all mobile customers, ideally carrier selection should cover both post-paid and pre-paid customers. However, there are substantial problems in implementing these over pre-paid connections and more so for the roaming subscribers as pointed out in the

consultation paper also. Partly in view of such limitations; our proposal is not to go for these classical (viz. CS &CPS) methods but to achieve the objectives through calling cards.

Q9. With reference to section 4 of Chapter 1, how do you think the customer should exercise the initial choice?

In case CS/CPS is implemented, initially Balloting should be used to help the customer in exercising his choice, given the fact that he would have low awareness of the benefits accruing on account of the new facility and, therefore, if designed properly would induce consumers to actually make a choice

Q10. With reference to section 5.4 of Chapter 1, in the event of implementation of carrier selection, what should be the procedure followed for activation of CS/CPS to avoid slamming?

In the event of implementation of carrier selection, the Regulator must establish rules to provide carriers with economic disincentive to engage in slamming (changing carrier not authorized by the subscriber) and should slamming take place, the responsible operators must be made liable to pay penalties.

Q11. What should be the mechanism for determination of up-gradation costs? Please suggest the cost recovery method in the present environment?

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Q12. If the cost is recovered from NLD/ILD service providers then should it be equally distributed among all NLDO/ILDO or there should be difference between NLD/ILD carrying voice traffic and not carrying voice traffic. How would a new entrant in long distance segment contribute towards this cost?

This is one of the complications in the implementation of carrier selection by CS and more so by CPS. Ideally, network upgradation cost should be determined by carrying out a study on the cost that would have to be incurred on account of modifying networks, augmenting resources and support systems in order to implement CS/CPS. This would involve switch upgradation/replacement costs, transmission equipment and link augmentation cost, provisioning, billing and other support system cost. This would be a one off cost that is incurred upfront by the incumbent operator prior to implementation of pre-selection.

The capital cost of implementation of carrier selection should be borne by the concerned operators in their respective networks.

The cost recovery arrangement could be by distributing it over minutes of usage and will be an element over and above the cost based carriage charges.

Cost recovery would require spreading the cost over all relevant originating call minutes. The advantage arising out of this method would be that this approach would require all service providers, existing as well as new, to contribute towards the network and system modification cost.

Q14. Should the billing be necessarily done separately by NLDO/ILDO or left for mutual agreement between access and long distance service providers?

In the event of implementation of carrier selection, it should be left for mutual agreement between access and long distance service providers.

Q15. Should access provider make arrangement for selection of the NLDO/ILDO who is not present in SDCA.

Yes, in case a selected NLDO/ILDO is not present in a SDCA, then access provider should make arrangement for carriage of call through default route.

Q16. If the answer to Q 15 is yes then what arrangement do you propose for carriage of calls upto the point of presence of selected NLDO?

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Q17. Should NLDO to NLDO interconnection/handover of traffic be mandated in the event of carrier selection being implemented?

Yes, in order to make carrier selection most effective NLDO to NLDO interconnection must be mandated at least for LDCA to SDCA traffic at mutually negotiated terms and condition. However, for this the Regulator needs to define the IUC implications for near-end or far-end handover. Incidentally, this will be needed even if calling card arrangement is introduced and, therefore there is an urgent need for an in-depth study to draw up clear guidelines.

Q18. In the event of implementation of carrier selection, would any change in the interconnection usage charge regime is required e.g. mandating origination charge, forbearance on carriage charge etc.?

Since presently tariffs are offered by access providers, therefore, to keep tariff under forbearance, TRAI has left origination charges under forbearance. All other charges which are required to be paid between service providers are being regulated by TRAI for certainty in the agreements between inter-operator settlements. Forbearance should continue for carriage charge within ceiling.

Q19. Should there be any requirement to specify minimum criteria for NLDO/ILDOs, based on their coverage etc. to become eligible for selection as carrier. If yes, please provide detailed suggestions.

Yes, as mentioned in our reply to Q1 to maintain Level Playing Field.

Q20. Should the licence conditions of NLDOs/ILDOs be amended to allow them direct access to customers through calling cards for making national/international calls.

Yes, the licence conditions of NLDOs/ILDOs should be amended to allow them direct access to customers through calling cards for making national/international calls. The present Licensing conditions do not permit NLDOs to directly access the consumer. If NLD operators are to be allowed to issue calling cards then the licence conditions may have to be suitably modified.

Q21. Should NLDOs be allowed to sell calling cards only in those service areas where they have point of presence?

No, they should be allowed to sell cards in all the circles.

Q22. Should NLDOs be allowed to sell calling cards only for national long distance and ILDOs for international long distance calls?

With a view to increase competition, innovation and operational efficiency NLDOs/ILDOs should be allowed to sell calling cards for both national long distance and international long distance calls.

Q23. Should access providers be mandated to give connectivity to NLDO/ILDOs for accessing customers through calling cards.

Yes, connectivity to NLDO/ILDOs by access providers needs to be mandated by the authority.

Q24. Should NLDOs/ILDOs be allowed to market national/ international calling cards to promote competition in these segments to the benefit of the consumers?

Yes

Q25. Should there be restriction on making local calls using these cards in the service area for which they are sold?

This is equivalent to sharing of the subscriber access media. This is not germane to the present subject of increased competition in NLD and ILD markets and need not be permitted at the moment. TRAI may look into this after the NLD/ILD calling cards market stabilizes.

Q26. How should it be ensured that only permitted services are offered in the market?

By imposing stiff penalties over non-compliance.

Q27. Would this require any change in the interconnection regime?

Yes, for implementing calling cards, the IUC needs to be revised for Origination charges. Also, the Regulator needs to define the guidelines for Revenue share for IN interconnections for implementation of calling cards. Therefore, the Telecommunications Tariff Order would also require a suitable amendment to this effect.