

1. [Subscriber Numbers for February 2006](#)
2. [Infrastructure Committee by MoC](#)
3. [TRAI Recommendations on Mobile Number Portability](#)
4. [Show Cause Notice to Mobile Operators on QoS](#)
5. [TRAI Directive to Mobile Service Providers in the states of Maharashtra, Tamil Nadu, West Bengal and UP](#)
6. [Basic Service Calls Between Delhi and NCR Towns](#)
7. [Interconnect Usage Charges Regulation](#)
8. [Next Generation Networks](#)
9. [Issues Relating to Convergence & Competition in Broadcasting and Telecommunications](#)
10. [3GSM World Congress](#)
11. [Forthcoming Event](#)

## 1. Subscriber Numbers for February 2006

### A. GSM Subscribers

The total cumulative all India GSM subscriber base rose by **3.2 million** from **62 million** in January 2006 to **65.2 million** in February 2006, representing a **growth of 5.11%** in the month under review.

Category A, B and C subscribers grew by 5.03%, 5.16% and 8.44% respectively over the previous month while the Metro subscribers grew by 3.97%. Metros constitute 23.09% of the total market. Circles A, B C constitute 35.25%, 32.99% and 8.67% of the total market respectively. Delhi continued to be the leading cellular market with 5.43 million subscribers accounting for 8.33% of the total market, closely followed by Mumbai with 5.39 million subscribers accounting for 8.26% of the total market.

A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		Jan. '06	Feb'06	Jan'06	Feb'06	
1.	Bharti	17.37	18.45	28.02%	28.30%	23
2.	BSNL	15.37	16.09	24.79%	24.64%	21
3.	Hutch	13.74	14.53	22.16%	22.29%	16
4.	IDEA	6.73	7.01	10.85%	10.75%	11
5.	Aircel	2.38	2.46	3.84%	3.78%	7
6.	Reliance	1.73	1.80	2.79%	2.76%	8
7.	Spice	1.72	1.82	2.77%	2.79%	2
8.	MTNL	1.63	1.72	2.63%	2.64%	2
9.	BPL	1.33	1.34	2.15%	2.05%	1
	<b>TOTAL</b>	<b>62.02</b>	<b>65.19</b>	100.00%	<b>100.00%</b>	

The GSM mobile industry constituted 77% of the total mobile market in India and accounted for 74% of the new additions, that is, **3 out of every 4 new mobile subscribers opted for GSM.**

The details of CDMA (digital mobile) are dealt with in the next section.

## B. CDMA Mobile Subscribers

The total cumulative all India CDMA subscriber base rose by 1.12 million from **17.97 million** in January 2006 to **19.08 million** in February 2006, representing a growth of 6.18% in the month under review. A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		Jan'06	Feb'06	Jan'06	Feb'06	
1.	Reliance	13.819	14.623	76.89%	76.61%	20
3.	TATA	4.061	4.374	22.6%	22.92%	20
5.	HFCL	0.065	0.063	0.36%	0.33%	1
6.	Shyam	0.027	0.027	0.15%	0.14%	1
	<b>TOTAL</b>	<b>17.972</b>	<b>19.087</b>	<b>100.00%</b>	<b>100.00%</b>	

Source: AUSPI

## 2. Infrastructure Committee by MoC

On **March 13, 2006**, The Hon'ble Minister of Communications & IT, Thiru Dayanidhi Maran formed an Infrastructure Sharing Committee under the Chairmanship of Mr. M. Sahu, Joint secretary DoT. The Committee consists COAI, AUSPI, TEMA and service providers viz., Bharti, Hutchison, Idea, MTNL, Reliance and TATA. The Committee was formed to discuss the best possible ways to provide better quality of mobile service. The Committee would start with Delhi and then move on to other metros and other cities & towns.

The Hon'ble Minister expressed that in the public interest the determination of the Government was to provide better quality of services to the consumers and reduce the congestion level. He also emphasized the need for percolating the benefits of the technological innovations for co-location and efficient engineering without compromising loading in metros, which were environment friendly and aesthetic in nature.

The members unanimously welcomed the initiative of the Hon'ble Minister for extending support for sharing of infrastructure for better cellular mobile services, which would bring down the capital expenditure and help in reducing the prices of services provided to consumers.

The first formal meeting of the Committee is on Monday, March 20, 2006.

### 3. TRAI Recommendations on Mobile Number Portability

On **March 8, 2006**, TRAI released the Recommendations on Mobile Number Portability. The key recommendations of TRAI were as follows:

- a. MNP be launched within 12 months of the recommendations being accepted, i.e. tentatively by 1st April 2007.
- b. Government may mandate all UASLs/ CMSPs to implement Mobile Number Portability.
- c. MNP to be initially introduced within service Area only.
- d. MNP to be implemented in a phased manner starting from metros and A category service areas followed by B then C category service areas within the interval of six months.
- e. MNP to be implemented through a direct solution i.e. All Call Query Method.
- f. Mobile Operators to establish through neutral third party would logically centralized database with not more than 5 regionally located databases, cost of which would be borne proportionately based on subscriber base by each operator. These databases would be the depository for the ported numbers.
- g. Issues relating to creation of database, interfaces, performance parameters, service levels, etc to be resolved by discussion and coordination among all the stakeholders.
- h. A steering committee consisting of operators, industry association and TEC to be constituted under the aegis of TRAI to work out the details of these implementation issues.
- i. Customer to approach recipient operator for porting.
- j. Only Recipient operator to be permitted to charge a fee for successful porting.
- k. Provision may be made by the licensor in the license requiring TRAI to issue regulation in this regard
- l. Common setup costs for Number Portability Administration Center (NPAC), Clearing House to be borne by operators based on the subscriber market share of operators as on 1st Jan 2007.

TRAI also estimated that the operator would be able to recover his investment cost in 3 to 5 years. On the issue of Fixed Number Portability the Authority stated that it was inappropriate to introduce Fixed Number Portability due to

- The non-availability of private operators networks in all SDCAs (roughly tehsils)
- The numbering scheme being SDCA based
- Existence of huge legacy networks etc.

A copy of the Recommendations is available at the following link:

<http://www.traigov.in/recomm8mar06.pdf>

#### **4. Show Cause Notice to Mobile Operators on QoS**

##### **A. TRAI's Show Cause Notice**

On **March 7, 2006**, TRAI issued a show cause notice to M/s Bharti Tele-Ventures Ltd., Tata Teleservices Ltd., Reliance Infocomm Ltd., Reliance Telecom Ltd., BPL Mobile Communication Ltd and Spice Communication Ltd. stating that in the networks of these operators, the number of POIs having congestion above the benchmark of 0.5% had increased during the period September-December, 2005.

A copy of the Notice is available at the following link:

<http://www.trai.gov.in/pr7mar06.pdf>

##### **B. COAI's Response**

In response to TRAI's show cause notice, COAI vide its Letter No. TVR/ COAI/ 065 dated **March 14, 2006**, to TRAI made a few submissions on QOS on behalf of all the Member operators. The submissions were as follows:

1. India was one of the fastest growing markets and there was a continuous pressure on a key resource like interconnection.
2. With phenomenal increase in subscriber base a corresponding increase in capacity augmentation had not taken place.
3. The Authority was aware that in a market where historically there had been a dominant player and virtually 90% of the bottleneck facilities were with one player, it was unrealistic to expect that the new entrants would be able to address this problem overnight through negotiations.
4. Under the interconnection agreements that have been signed by the private operators, it could take upto 12 months for new POIs to be provided.
5. COAI disagreed with the Authority's view that it was the responsibility of the service provider to take necessary action for timely augmentation of POIs through mutual discussions or through legal measures, if mutual discussions failed.
6. Authority, on its part, had also been fully aware of these aspects relating to interconnection.
7. By issuing the above show cause notices the Authority was not only accusing the wrong party but is in fact blaming the victim for his desperate condition.

COAI pointed out that under the Act the Authority was bound to protect the interests of service providers. COAI and its members were making all possible efforts and taking all possible steps including meetings held at the highest level to ensure that the operators were able to get timely

augmentation of POIs. In fact the Secretary, DoT had been personally involved in trying to resolve subsisting issues. POIs were for two-way exchange therefore, if congestion was noted in one direction of the POI circuit, the same degree of congestion was bound to be in the other direction also. Under these circumstances it was incorrect of the Authority to target the operators at one end only.

In this regard, COAI further opined that a period of ten days was extremely short for the member operators to respond in an effective manner and requested the Authority to allow an extension of 4 weeks time for giving a detailed reply to the show cause notice.

#### **5. TRAI Directive to Mobile Service Providers in the states of Maharashtra, Tamil Nadu, West Bengal and UP**

On **February 27, 2006**, TRAI issued a Directive to all the Mobile Service Providers in the states of Maharashtra, Tamil Nadu, West Bengal and UP not to charge differential tariffs for calls terminating in BSNL network and other service providers networks and report compliance to the Authority within 15 days of issue of this direction.

A copy of the Directive is available at the following link:

<http://www.trai.gov.in/dir27feb06.pdf>

#### **6. Basic Service Calls Between Delhi and NCR Towns**

DoT vide its Letter No. 10-13/2006-B.S.I. dated February 14, 2006, permitted inter service area connectivity between basic service providers of Delhi and licensees offering basic services in the NCR town of Ghaziabad, Faridabad, Noida/ Greater Noida and Gurgaon.

COAI, vide its Letter No. TVR/COAI/054 dated **March 1, 2006** to DoT, requested the Authority to allow inter service area connectivity for the cellular and unified licensees whose service area was the same and included these NCR towns. DoT earlier permitted inter service area connectivity to all access providers in four states, the same arrangement should be extended to Delhi and neighboring towns.

COAI thus, requested DoT to kindly intervene and remove disparity and non-level playing field.

## **7. Interconnect Usage Charges Regulation**

### **A. TRAI Amendment to IUC Regulation, 2006**

On **February 23, 2006**, TRAI issued an amendment to the IUC Regulation, introducing Revenue Share for ADC. The salient features of the Regulation were as follows:

- a. ADC amount reduced to Rs.3335 crores
- b. Estimated ADC for BSNL would be Rs. 3,200 crore.
- c. No ADC on per minute basis on domestic calls.
- d. ADC on International Long Distance traffic continued to be on per minute basis but at a reduced rate of Rs 1.60/minute (more than 50% reduction) for incoming calls and Rs.0.80/minute (reduction more than 65%) on outgoing calls.
- e. Access providers to pay **1.5%** of AGR as ADC to BSNL.
- f. For estimation of ADC as a percentage of AGR, of access providers, the revenue from the rural subscribers would be subtracted.
- g. UASLs/ BSOs other than BSNL to retain ADC in terms of percentage of AGR and also on outgoing international calls from their wireline subscribers.
- h. In mobile and fixed termination charges to be retained at existing level of Rs.0.30 per minute.
- i. Ceiling Carriage Charge fixed at Rs. 0.65/minute, irrespective of distance.

A copy of the Regulation is available at the following link:

<http://www.trai.gov.in/regu23feb06.pdf>

### **B. COAI Welcomed Revenue Sharing for ADC**

**COAI welcomed the special efforts of the Hon'ble MoC & IT, Thiru Dayanidhi Maran and the Government** for their intervention in ensuring the introduction of revenue sharing for ADC. COAI opined that the prescription of a 1.5% revenue share on the Adjusted Gross Revenues represented a **significant reduction of the ADC burden on the industry and in turn on the consumers**. It would also **address the various flaws and anomalies** that were **prevalent in the earlier regime** such as incentive for arbitrage for fixed wireless services, grey market for ILD calls, problems in reconciliation and settlement, etc.

However, in COAI's views, **Carriage Charges of 65 paise per minute were on the higher side considering the 70% reduction in cost of domestic leased circuits**. It also expressed disappointment that **although the Regulator had noted that the mobile termination charges in India were 12-24 times lower than those prevailing in other countries**, the Authority had **not**

**taken this opportunity to correct this anomaly and revise the MTC upwards, at least for international incoming calls.**

## **8. Next Generation Networks**

COAI, vide its Letter No. TVR/COAI/ 048 dated **February 20, 2006**, to TRAI submitted its response to TRAI's Consultation Paper on Next Generation Networks. COAI stated the significance of NGN and expressed that **as the UAS license permitted operators to offer all types of access services, the present consultations of the Authority would be relevant and important from the technical standpoint**, but would **neither require nor entail any policy or regulatory deviations** from prevalent practices.

COAI's submissions were as follows:

- a. NGN networks do not ensure adequate security and ITU was still working on the standards in this regard.
- b. It would need to be ensured that internationally accepted standards were followed in NGN.
- c. On numbering issue, India should to follow the ITU-T Recommendations.
- d. In a multi-technology and multi-operator environment, there was a need to ensure standardisation, especially with regard to protocols.
- e. TRAI would need to clearly prescribe equitable cost based Interconnect charges and address the issue of roaming since IP devices could be used in multiple/remote locations.
- f. Timely availability of adequate spectrum to the service providers should be essential.
- g. The underlying technology deployed should not affect the regulation/guidelines for QoS.
- h. The charging / billing for the consumer / end-user would need to be simplified and made available in real time.
- i. Evolution of terminals / devices and their timely availability for the end user would be important, and that too at competitive and affordable prices.

COAI's Response to the specific issues raised in the Consultation Paper were as below:

- a. NGN was relevant for all types of service providers.
- b. Complete migration to 'NGN' should not be rushed. The progressive pace at which the concept of NGN should be deployed should be based on the business initiative of the operators / carriers and the demand of the market.
- c. A light touch approach to regulation of NGN might be adopted.

- d. India has as yet not created either enough infrastructure or enough capacity to consider service-based competition. Moreover, introduction of service-based competition was not necessarily linked with NGN.
- e. All the incentives to encourage NGN rollout must be offered through the platform of the UAS license.
- f. The Authority might issue a separate consultation paper exclusively on the inter connection issues, arising out of technological evolution to NGN.
- g. T.E.C, along with participation from the industry would be best positioned to consider technical standards and related issues of NGN.

## **9. Issues Relating to Convergence & Competition in Broadcasting and Telecommunications**

COAI, vide its Letter No. TVR/COAI/ 047 dated **February 20, 2006**, to TRAI submitted its response to TRAI's Consultation Paper on Issues Relating to Convergence and Competition in Broadcasting and Telecommunications. COAI's comments were as follows:

- a. A comprehensive legal framework was needed to deal with various issues arising out of convergence of technologies and services. This should be based on Communication Convergence Bill 2001 with appropriate modifications to take into account the inputs provided by stakeholders, subsequent changes in Licensing Regime, etc.
- b. Convergence Authority should regulate both carriage and content.
- c. Spectrum practices in India should continue to be in line with ITU.
- d. Custom Duty Regime to be rationalized so that items having same function come under same classification and are subjected to same rates of customs duty.
- e. High costs of duties and levies imposed on telecom sector to be brought in line with international practices.
- f. Need to standardize both ROW and the time period within which the clearances are granted.

## **10. 3GSM World Congress**

The 3GSM World Congress held from 13-16 February, 2006 witnessed the highest ever attendance of over 50,000 visitors from all across the world and once again proved to be the biggest mobile show on Earth.

A strong contingent from India led by the Hon'ble Minister of Communications and Information Technology **Thiru Dayanidhi Maran** was prominent at this year's 3GSM World Congress. The

delegation included Mr. Yashwant Bhawe, IAS, Additional Secretary, DoT, Mr. K. Sanjay Murthy, IAS, PS to Hon'ble MoC & IT, a large number of CEOs from the public and the private sector as well as CEOs from suppliers companies like Nokia, Motorola, Lucent, etc. The size and the senior level participation of the Indian telecom industry made a great impact at Barcelona.

**The Hon'ble Minister of Communications & IT, Thiru Dayanidhi Maran** had a key speaker slot at '**Government Mobile Forum**' and he made a very powerful presentation on "The role of Mobile as a Growth Engine in India". **Mr. Sunil B. Mittal, CMD, Bharti Televentures**, also made a presentation on "Leadership Summit". Both these presentations from the Indian Delegation had a great impact.

*A report on the 'Highlights of the 3GSM World Congress' has already been circulated and can also be viewed at the COAI website at [www.coai.in](http://www.coai.in)*

## **11. Forthcoming Event**

COAI is co-organizing with Exhibitions India Pvt. Ltd. the 14<sup>th</sup> edition of South Asia's largest ICT event – the **Convergence India 2006** International Exhibition and Conference from **21- 23 March, at Pragati Maidan, New Delhi.**

Members are requested to participate actively in the event to make this joint venture a success.

For further details visit:

[www.convergenceindia.org](http://www.convergenceindia.org)