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1. Subscriber Numbers for January 2006

A. GSM Subscribers

The Indian GSM industry flagged off 2006 by achieving the highest ever subscriber growth of **3.5 million** in January 2006. This is also now the **highest monthly subscriber additions** recorded by the GSM industry **since inception of service**. The All India GSM subscriber base reached **62 million in January '06**, up from **58.51 million in December 2005**, representing a **growth of 6% for the month under review**.

Category C Circles continued to witness the highest rate of growth at 8.3%. Within the Category C circles, the highest growth was recorded by the Assam Circle (14.22%) followed by N.E. Circle (10.86%).

January '06 was a good month for **Category A Circles**. In terms of growth, Category C circles were followed by Category A circles, which recorded a healthy growth of 6.85% over the previous month. Karnataka recorded the highest growth at (11.3%) followed by A.P. at (7.8%). **Category B Circles** witnessed a growth of 6.2%. Amongst the Category B circles, West Bengal & A.N. recorded high growth rates at (14%), followed by Kerala at (8.8%).

The **Metro** subscribers grew by 3.70% over the previous month. Kolkata recorded the highest growth at (5.21%) followed by Chennai (3.86%).

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

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		Dec'05	Jan. '06	Dec'05	Jan'06	
1.	Bharti	16.33	17.37	27.91%	28.02%	23
2.	BSNL	14.30	15.37	24.44%	24.79%	21
3.	Hutch	11.41	13.74	19.50%	22.16%	16
4.	IDEA	6.47	6.73	11.06%	10.85%	8
5.	Aircel	2.28	2.38	3.90%	3.84%	7
6.	Reliance	1.67	1.73	2.85%	2.79%	8
7.	Spice	1.63	1.72	2.79%	2.77%	2
8.	MTNL	1.53	1.63	2.61%	2.63%	2
9.	BPL	2.89	1.33	4.94%	2.15%	1
	TOTAL	58.51	62.0	100.00%	100.00%	

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 1.19 million from 16.78 million in December 2005 to 17.97 million in January 2006, representing a growth of 7.08% 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
		Dec'05	Jan'06	Dec'05	Jan'06	
1.	Reliance	13.014	13.819	77.54%	76.89%	20
3.	TATA	3.680	4.061	21.92%	22.6%	20
5.	HFCL	0.063	0.065	0.38%	0.36%	1
6.	Shyam	0.027	0.027	0.16%	0.15%	1
	TOTAL	16.784	17.972	100.00%	100.00%	

Source: AUSPI

2. COAI Annual General Meeting

At the COAI Annual General Meeting, which was held on **February 2, 2006**, COAI members elected **Mr. Sanjeev Aga, Director on the Board of Idea Cellular Ltd**, as their **Chairman** and **Mr. Naresh Gupta, Chief Technical and Regulatory Officer, Hutchison Essar** as their **Vice Chairman** for 2006.

At the AGM, COAI also elected its new **Executive Council team for 2006** viz. Mr. K V P Baskar, Aircel; Mr. Narender Gupta, Bharti; Mr. D B Sehgal, BPL Mobile; Mr. Naresh Gupta, Hutchison Essar; Mr. Vikram Mehmi, Idea; Mr. S P Shukla, Reliance and Mr. Umang Das, Spice.

COAI warmly welcomed **Texas Instruments, Infineon Technologies and Gemplus** as the new Members of COAI.

The COAI also released its Annual Report for the Year 2005, providing overview of the Industry & other details.

The detailed Report can be viewed at the COAI website at www.coai.com

3. Shared Infrastructure for Wireless Based Services in Rural Areas

In response to Government's proposed model for Infrastructure development, COAI wrote to DoT vide its Letter No. TVR/COAI/012 dated January 30, 2006. COAI expressed its concern on reduction of number of Access Providers sharing the infrastructure who would be provided subsidy at L1 rates from 3 to 2. Further, the submissions made by COAI were as follows:

- a. Inclusion of subsidy support for setting up a shelter to house the BTS.
- b. Access Providers bidding for subsidy support to have a license for the Service Area for which they would bid.
- c. Government should indicate the time period within which the EMBG would be returned.
- d. Government should clarify what 'testing of tower' would entail and should also define the term 'commercial start of service'.
- e. Terms and conditions for maintenance of infrastructure should be clearly defined and not be left to mutual negotiations.
- f. Ownership of the asset should rest with the successful bidder only.
- g. Agreements should be entered into with the successful bidder to maintain the infrastructure for the remaining lifetime of the longest license.

COAI requested DoT to take these submissions into consideration before finalizing the scheme.

4. Meeting with TRAI on Draft IN Regulation

On **January 20, 2006**, COAI had a meeting with TRAI on Draft IN Regulation. At the meeting, COAI reiterated its views and concerns on Intelligent Networks. In the end, Secretary TRAI stated that the Authority would examine the concerns expressed by COAI and would take necessary steps to remove the existing ambiguities.

5. TRAI Directive on Reporting of International Long Distance Tariff Minutes

On **January 19, 2006**, TRAI issued a Directive to all Access Providers, NLDOs and ILDOs directing them to report the traffic minutes on monthly basis as per the recommended formats, with effect from the month of January 2006.

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

<http://www.trai.gov.in/dir20jan06.htm>

6. Tariff Plans with Lifetime Validity

A. TRAI Consultation Paper on Tariff Plans with Lifetime Validity

On **January 16, 2006**, TRAI issued Consultation Paper on Tariff Plans with Lifetime Validity. According to TRAI, the process had been initiated to address the issues of long-term viability and sustainability of the lifetime validity tariff packages that had been introduced in the market, with a view to protecting the interests of consumers.

A full copy of the Consultation Paper is available at the following link:

<http://www.traigov.in/cpaper16jan06.pdf>

B. COAI's Response

COAI vide its Letter No. TVR/COAI/034 dated February 3, 2006, submitted its response to TRAI Consultation Paper on Tariff Plans with Lifetime Validity. COAI stated that there was a need to follow a holistic approach while examining the tariff packages of operators and was undesirable to look at a specific plan in isolation. The highlights of the response were as follows:

- i. These Lifetime Validity tariff plans were introduced in the market as competitive response to similar offerings.
- ii. Since these plans had been introduced only recently, it was difficult to conclude on the viability and sustainability at this stage and at least 6 months were required to come to reasonable conclusion in this regard.
- iii. The lifetime plans of the CMSPs could only be offered during the lifetime of their license and not beyond that.
- iv. The tariff plans were designed keeping in view the prevalent Licensing and Regulatory Regime, including the prevalent IUC Regime. Any change in the regime would necessitate a change in the tariff package being offered.
- v. It was the Authority's responsibility to safeguard consumer interest to ensure that all requisite and relevant information was disclosed by service providers to consumers and thereafter it was the choice of the consumer to opt for a particular package.
- vi. In order to ensure orderly growth of the industry, the Authority would have to look at various factors, ensure uniform application and compliance with norms as well as ensure level playing field.

- vii. There was no need to spell out any exit options for these plans as there was no exit load in any of these plans and the consumer was free to migrate to any other plan.
- viii. The lifetime schemes were being offered by every service provider and as no complaints have been received alleging predatory pricing, application of Asymmetric Regulation was not required.

Further, COAI requested the Authority to use this opportunity to transparently share the principles and parameters on which is assessed the tariff plans so as to help operators structure their plans to be in compliance with the norms.

7. Differential Tariff for On-Network Calls

A. TRAI Consultation Paper on Differential Tariff for On-Network Calls

On **January 13, 2006**, TRAI issued a Consultation Paper on Differential Tariff for On-Network Calls. According to TRAI, the process had been initiated with a view to formulate regulatory policies in the matter of interpretation of the principle of Non-Discrimination in as far as it was applicable to tariffs for telecommunication services. The key purpose of the consultation process was to determine the definition of the term “On Network” for the purposes of applicability of differential call charges.

A full copy of the Consultation Paper is available at the following link:

<http://www.traigov.in/cpaper13jan06.pdf>

B. COAI's Response

COAI vide its Letter No. TVR/COAI/036 dated **February 6, 2006**, submitted its response to the TRAI Consultation Paper on Differential Tariff for On-Network Calls. COAI's comments on various issues were as follows:

- i. 'On network' calls would be calls within “Same Area-Same-Service-Same Operator” as separate licenses were issued for each service area and also because separate accounts were required to be maintained for each service under the Accounting Separation Regulation of the Authority.

- ii. Operators should continue to be allowed to offer differential tariffs for such calls as these calls were being made within the operator's own licensed network and did not involve usage/ payment of usage charges for any facilities/ network elements of other operators.
- iii. The above approach was in consonance with the definition of 'Non Discrimination' provided in Clause 2(k) and Clause 10 of TTO 1999 and Article 14 of the Constitution.
- iv. Offering a differential tariff to subscribers of one technology would be a discriminatory tariff as according to the licenses awarded to the operators, calls between different technologies implied calls between different licensed operators.

8. TRAI Consultation Paper on Next Generation Networks

On **January 12, 2006**, TRAI issued a Consultation Paper on Next Generation Networks (NGN). The Paper gave a background on NGN technologies and select international case studies. The key issues raised for consultation included:

- a. Relevance and Timing for transition to NGN
- b. Regulatory Approaches to NGN
- c. Technical Issues pertaining to NGN
- d. Migration to NGN

A full copy of the Consultation Paper is available at the following link:

<http://www.trai.gov.in/cpaper12jan06.pdf>

9. TRAI Consultation Paper on Issues Relating to Convergence & Competition in Broadcasting and Telecommunications

On **January 2, 2006**, TRAI issued a Consultation Paper on Issues Relating to Convergence and Competition in Broadcasting and Telecommunications. The Paper was based upon the following:

- TRAI's recommendations on Unified Licensing
- Recommendations of Committee set up by TRAI to examine issues relating to broadband and telephony over Cable TV networks
- Basic features of the Communication Convergence Bill 2001

The Paper focused on the need to bring about convergence in all aspects of regulation of the telecommunications and broadcasting industries and intended to elicit views on:

- a. The need for a comprehensive legal framework for promoting convergence
- b. Approach to Unified Licensing
- c. Technology and service neutral Spectrum Licensing
- d. Issues on which recommendations have been made by the Broadband & Internet Telephony Committee

A full copy of the Consultation Paper is available at the following link:

<http://www.trai.gov.in/cpaper2jan06.pdf>