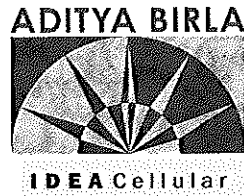


08th June, 2012



The Secretary,
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg (Old Minto Road),
New Delhi-110002

Kind Attention: Advisor (I & FN)

Sub: Consultation Paper on "Review of the Telecommunication Interconnection (Port Charges)"

Dear Sir,

The Indian Telecom Industry has undergone a major transformation over the last 5 years because of the interplay of various socio and economic factors. Notable changes in its landscape are an increase in telecom penetration, drop in call tariffs, decline in ARPUs, increase in competitive intensity, launch of 3G and MNP, increase in data usage and finally the availability of better and more efficient telecom equipment. Naturally, the cost of interconnection has also undergone a change and needs to be aligned in view of the current market realities.

Our response on the only issue for Consultation is as given below:

Issue for Consultation:

The stakeholders are requested to send their comments on the cost data and costing methodology used for estimating the port charges in this consultation paper. The stakeholders may also send their comments on the period for which these charges should remain operative.

Idea Cellular's Submission:

In the consultation paper, TRAI has proposed the following ceiling for the Annual port charges:

Sr. No.	Type of Switch	Port Charges (Ceiling of INR. Per Port)
1.	MSC	4,000
2.	Tandem/ TAX Exchange	10,000

In this regard we would like to submit the following:

Differential charging for MSC and Tandem/TAX Exchange

- a. Historically TRAI has only notified a single common port charge for MSC and Tandem / TAX Exchanges.
- b. It is our understanding that the CAPEX incurred on both type of switches is very similar, given that similar equipment is used. We thus fail to envision why TRAI has chosen to use 2 different sets of figures for MSC and TAX Exchange. In addition, the difference in the costs, if any, cannot be significantly different except when it is in the context of DTAX and IP TAX switches that are used by just a few industry players and are therefore not fully representative of the industry.



Using highest listed CAPEX for Determining Charges

- a. The Authority has used the highest submitted CAPEX cost for calculation of port charges.
- b. However we believe that a mean of the highest and lowest figure could have been more appropriate than using the highest figure as far as Tandem / Tax Exchange equipment is concerned.
- c. We would thus urge the TRAI to review its calculations in light of the above submission so far as the Capex costs for Tandem / Tax Exchange are concerned and ratify the view that port charges should be very similar to those for the MSC Switch.

On the issue of period for which the costs should be operative

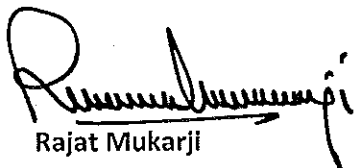
- a. We would like to submit that the notified ceiling should be operative for a period of 2 years. It is pertinent to note here that currently the RIO from Provider to seeker is also for a period of 2 years.
- b. In addition, we would like to submit that in respect of the first two years of establishment of connectivity, the provision and augmentation of transmission links (including terminating equipment) at the POI's, should be the responsibility of interconnection seeker and at its cost. This includes charges for port, set up cost, lease lines, radio links, end links, etc.
- c. Post the expiry of the initial 2 year period, the charges should be left to mutual discussions between the seeker and provider **but within the ceilings as shall be notified by TRAI** post this consultation. Also, the definition of a "seeker" beyond the initial period between two parties should for all practical purpose be, "the operator at whose end higher share of traffic is being originated vis-à-vis the other" so that in effect, once a seeker does not necessarily remain a seeker beyond expiry of the initial period. Further, the definition should apply to all operators including the BSNL/MTNL.
- d. Finally, the new definition and rates should be made applicable on existing ports as well, and not just the new or incremental ones. Infact, the TRAI should endeavor to also include, a time-limited mechanism that exempts service providers from making payments for those ports where exorbitant charges already stand paid (Rs 55K/E1 or 39K/ E1) to BSNL/MTNL, and which are atleast 5 years old, so that some relief can accrue to them as a result.

We earnestly believe that the Authority will give due-consideration to our comments before formalizing its recommendations on this subject.

Thanking you,

Yours faithfully,

For IDEA Cellular Ltd.



Rajat Mukarji

Chief Corporate Affairs Officer