



Idea/ RCA/ RV/ 2016-17/ Oct / 150

October 06, 2016

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Subject: "Show Cause Notice to M/s Idea Cellular Ltd., the licensee, for violation of the 'Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 and the provisions of License Agreements" vide your letter 10-6/2016-BB & PA of 27.09.2016.

- Ref. 1) Idea letter dated 26.07.2016 updating the status of RJIO Pol allocation status.
- 2) Idea letter dated 09.09.2016 in response to TRAI letter regarding request of RJIO for Augmentation of Pols for access & NLD services.
- 3) Idea letter dated 12.09.2016 with reference to meeting organised by TRAI on 09.09.2016.
- 4) Idea letter dated 22.09.2016 in response to TRAI letter dated 19.09.2016 on RJIO Pol Augmentation.
- 5) Idea letter dated 30.09.2016 informing TRAI that RJIO Pol are now at 3126.
- 6) Idea e-mail to TRAI dated 04.10.2016, updating the status of overall Pols allocated to RJIO and delays on part of RJIO in Pol activation for Idea NLD links towards RJIO.

Dear Sir,

The Authority has been regularly updated by us on the above issue through a series of letters. There is no basis for any Show Cause Notice, which comes as a shock and a disappointment.



The Authority is fully aware of the details of access Pol allocation done for RJIO as under:

Date	Access Poles prior to Jio launch date	Incremental Access Poles allocated on 12.09.2016	Incremental Access Poles allocated on 21.09.2016	Incremental Access Poles allocated on 29.09.2016	Total Access Poles allocated till date
		(RJIO O/G)	(RJIO O/G + IDEA O/G)	(RJIO O/G + IDEA O/G)	(RJIO O/G + IDEA O/G)
6-Oct-16	405	160	1300	900	2765

In fact, the total Pol allocated to RJIO stands today at 3126 (including 361 NLD Poles), which is even higher than the initial projections given by RJIO in its test phase (RJIO letter dated 21.06.2016), not too long ago. Idea's pro-active allocation of Poles exhibits our commitment to subscriber service and QoS. We also submit that we are providing additional Poles as necessary, however the Authority may note that congestion is appearing on RJIO links due to reasons solely attributable to RJIO, which we cannot control.

Our response to the Show Cause Notice is provided hereunder in four parts:

Part I. The Show Cause Notice is defective, invalid, and premeditated.

Part II. The Show Cause Notice is contrary to, and a gross misapplication of regulation, where the victim is made the accused.

Part III. Without Prejudice to Parts I and II, Idea Cellular has fulfilled QoS standards from its side.

Part IV. Reasons for QoS failures, such as they are, are solely attributable to RJIO

Part I

The Show Cause Notice is defective, invalid, and premeditated.

1. It was only on 09 September, 2016 that the TRAI affirmed, that the Commercial Launch of RJIO had happened, on 05 September 2016. Yet in 18 days flat, on 27 September, 2016 the TRAI issued Idea Cellular a Show Cause Notice. This despite the Authority being fully aware that as many as 3126 E1s had been added by Idea Cellular in the 18 day period, an achievement without precedent in the Indian telecom sector. This by itself evidences that the Show Cause Notice is arbitrary, flawed, unjustified, without basis on facts, and is pre-meditated.
2. The Show Cause Notice in its para 6 itself acknowledges that operators are required to meet QoS benchmark of $\leq 0.5\%$ for PoI congestion (on Individual PoI) averaged over a month. Further, by the TRAI's own admission, RJIO launched commercial services only on 05 September, 2016 and the TRAI show cause is based only on 4 days. But in just three weeks after the launch, and with 4 days data instead of the stipulated 30 days, the TRAI has issued the show cause notice. Hence, the Show Cause Notice is not merely pre-meditated, it is defective, invalid, and a nullity.

Part II

The Show Cause Notice is contrary to, and a gross misapplication of regulation, where the victim is made the accused.

The TRAI has not analysed the Root Cause of congestion.

3. Please refer our letters, including those written by the COAI, on the issue of RJIO launch, dated 08.08.2016, 11.08.2016, 22.08.2016, 02.09.2016 & 06.09.2016 – enclosed as Annexure A1-A5). Since March 2016, RJIO have been offering Unlimited Free Voice Calls and Free Roaming, under different guises. From March until 05 September, 2016 these were described as Beta Testing/Load Testing. From 05 September until 31 December, they are being described as a 'Promotional Welcome Offer'. And after 01 January 2017, the Unlimited Free Voice offerings are announced to continue forever, albeit they will then come only with some data packs (STVs)

at a bundled price. The central fact is that RJIO has been offering these services, without any change, ever since March 2016, and only labels of convenience have been changed.

4. The TRAI is aware that RJIO offerings violate the following Specific Prohibitions:
 - a) Ability to Pay IUC Expenses WHILE Meeting Own Costs (TRAI letter no. 311-9/2003-Eco.Part dated 20.05.2003 – enclosed as Annexure B1)
 - b) IUC Charges are a Floor to Retail tariffs (TRAI TTO 30th amendment dated 16.01.2004 – enclosed as Annexure B2)
 - c) Promotion/Offer Period for Maximum 90 Days from Launch (TRAI letter no. 310-8(7)/2002-Eco. Dated 19.06.2002 – enclosed as Annexure B3)
 - d) The Data Packs are Disguised as 'Plans', which is misleading as per relevant TRAI directions on Tariff advertisement dated 26.03.2012
5. All the four Specific Prohibitions are required to be complied, all together. The RJIO tariff plan is non-compliant to all four. And by issuing such a Show Cause Notice, the Authority is ending up abetting the offender, and instead proceeding against the victim.
6. The Authority is required and mandated to enforce regulations. The cited Specific Prohibitions relate directly to, what the Authority itself describes and reiterates as Cardinal Principles, viz., **Non-Compliance, Non-Discrimination, and Non-Predation.** The Authority has failed to fulfil its mandate, either suo-moto, or after receiving multiple representations, despite the passage of months, and despite explicit laid out guidelines to do so “ (Para 6 of explanatory memorandum of TTO 30th amendment dated 16.01.2004 – enclosed as Annexure B2) viz. ” ...the Authority would intervene in matters where the stated tariff regulatory principles are violated by the service providers”
7. RJIO were required to perform a Self-Check (Para 5 of explanatory memorandum of TTO 30th amendment dated 16.01.2004 – enclosed as Annexure B2) and should never have introduced such Traffic Plans to subscribers. Thereafter, the failure of the Authority to enforce the regulation is the root cause of deterioration of Quality of Service. In fact, the Authority's

continuing failure to do so is not just expanding the illegality, but will cause cascading deterioration in the Quality of Service.

TTO non-compliance has a One-to-One Link with QoS

8. **Quality of Service norms are meant for compliant services.** Quality of Service norms do not apply to non-compliant services. The Authority, in the first paragraph of the Show Cause Notice, has cited Section 11 of the TRAI Act where it has noted that it is entrusted with the discharge of certain functions. The same Act also mandates the TRAI to discharge its function to enforce compliance of its Tariff Orders, which enshrine, in the TRAI's own words, certain Cardinal Principles. **Regulation cannot be applied selectively.**

9. **We explain below how the Prohibited and Non-Compliant Tariffs are the Root Cause of QoS deterioration. We aver that this situation is inherent and inevitable, and QoS will only spin beyond anyone's control if non-compliance is not immediately stopped. With such non-compliant tariffs, QoS can somehow be managed only for some time, but with the passage of time it is impossible to be achieved. A directive which is incapable of being performed is ab-initio void.**

10. It can be logically deduced that :
 - a) if calls from RJIO network are free, then practically all inter-operator calls will originate from RJIO subscribers,

 - b) if the calls are not just free but unlimited, then traffic will surge, and

 - c) as most handsets can take double SIMs, and as RJIO SIMs are free, then very soon almost all voice calls in India will originate from the RJIO network, and will be free.

11. Predictably traffic trends until date are uncannily faithful to the above deduction. Inter-operator-traffic, with all other operators, has always been two-way. Incoming and Outgoing traffic varied between a small range. But after the RJIO Unlimited Free Tariff plans, traffic has become virtually a one-way-stampede. It is fallacious to imagine there are no specified limits for traffic asymmetry, when there exist Specific Prohibitions upon Tariffs, which limit the asymmetry.

12. Evidently, the illegal tariff plans are designed to induce customer acquisition and traffic patterns to destroy our business, inter alia, in the following manner
- a) Compelling us to carry tsunamis of Incoming traffic, far below cost, and to financially bleed us with each such call (details provided subsequently).
 - b) Compelling us to squander scarce capital resources to put up Ports to receive such Incoming Calls, thus diverting investments away from capital expenditure needed in new technology and spectrum.
 - c) Decimating our revenue, first because our subscribers who normatively would have called an RJIO subscriber will now just give a missed call and await a call back, and secondly, they will just take a free RJIO SIM for Outgoing calling.
 - d) The congestion caused because of the deluge of Incoming Calls will choke our networks and cause deterioration of services to our paying subscribers.

The Cause of the Show Cause lies with the Regulator, and the remedy lies with the Regulator. The Regulator has only to enforce Regulation, to improve QoS.

PART III

Without prejudice to Parts II and III, Idea Cellular has fulfilled QoS standards from its side.

Notwithstanding our fundamental disagreement, we confirm that Idea Cellular is more than meeting all standards as directed by the TRAI and will endeavor to continue to do the same.

13. Please refer to our five letters dated 26.07.2016, 09.09.2016, 12.09.2016, 22.09.2016 & 30.09.2016 (enclosed as Annexure C1-C5), in the last 30 days, wherein we have kept the Authority updated on the status of Pol allocation made to RJIO. In fact, the total Pol allocation to RJIO stands today at 3126, which is even higher than the initial estimate given by RJIO in its test phase, not too long ago.

Licensing / Regulatory norms – No mandate for massive PoI allocation for test phase.

14. IDEA Cellular has supported RJIO for Initial POIs as demanded for the Test trial purposes since **June 2014**, although there were **no norms under our interconnect agreement for test traffic.**
15. There was no congestion on initial links until around February/ March of 2016, and neither did RJIO send any communication regarding this.
16. **The Authority may also kindly note that neither the License nor the TRAI regulations mandate provisioning of interconnection in the test period, or when commercial services are not launched. The RJIO projection of Pols vide their letter dated 21.06.2016, itself states that the Pols were being sought in test phase, and hence it was not necessary for us to allocate any additional Pols then.**

RJIO's Protracted Beta Testing

17. Despite the above, **we had provided RJIO with approximate 405 Pols till around end of August 2016** which far exceeds established industry benchmarks for usage during the test phase. By no stretch of imagination was the **traffic that was being dumped upon us in this so called "test phase" correspond to any bona fide test usage, and it started leading to choking of Pols. The protracted pseudo test phase was nothing but a full-fledged commercial launch, disguised as load testing to elude the scrutiny of law and regulation.** Please refer to COAI letters dated 08.08.2016, 11.08.2016, 22.08.2016, 02.09.2016 & 06.09.2016, copy enclosed as **Annexure A1-A5.** Kindly also refer to our letter dated 26.07.2016 written to you – enclosed as **Annexure C1,** which also included our response sent to RJIO on this subject.
18. RJIO, deliberately, did not acknowledge that the approximate 405 E1s already provided by Idea were much in excess to any genuine/ established industry standard *inter-operator* testing requirement. Should at all they want further load testing, they ought to have restricted that to their own network. Load testing on such a massive scale upon competitor's networks is unknown anywhere in the world.

RJIO Commercial Launch was confirmed only on 09.09.2016 – Trigger of PoI allocation

19. The TRAI called a meeting on 09.09.2016 on this subject. **At the meeting, RJIO clarified and confirmed that 05.09.2016 was indeed the date when their commercial services had already**

been launched. The same was also noted and confirmed by the TRAI at the meeting. We remain unclear as to what precisely changed on 05.09.2016, as what had been happening before that date, continued unchanged after that date. Be that as it may, once it was confirmed by the TRAI on 09.09.2016 that 05.09.2016 was the date of commercial launch, we fully accepted as such, and promptly acted upon. Effectively, it is only on 09.09.2016 that preparation for Pols on a commercial launch basis was triggered, or indeed ought to have been triggered.

20. The Authority is aware about its own direction dated 07.06.2005 which, inter alia, directs all service providers to provide interconnection on the request of interconnection seeker within 90 days of the applicable payments being made by the interconnection seeker.

21. Yet, the Authority may kindly note that since 09.09.2016, in less than 30 days, Idea has allocated more than 2561 additional Pols to RJIO, without even awaiting for the 90 day period for allocation of Pols, which is triggered post congestion in Pol links. These additional Pols represent a 500% increase in Pols in less than 30 days alone. Idea Cellular has over-fulfilled on its intent to provide adequate and reasonable interconnect facilities to RJIO. The break-up of Pols provided to RJIO since inception of interconnect agreement, and more specifically Pols augmented in last 30 days, is enclosed as Annexure D. The TRAI was kept informed with regard to these allocations and copy of all our letters written to the TRAI on RJIO augmentation are enclosed as Annexure C 1- C5.

22. To summarize the total OF 3126 Pol have been allocated to RJIO as on date :

- Total no. of Access Pols for RJIO have been increased to total of 2765. The number of Access Pols prior to RJIO commercial launch were 405, which in any case were much higher than what is required under test environment.
- Total no. of NLD Pols for RJIO have been increased to total of 361. The number of NLD Pols prior to RJIO commercial launch were 135, which in any case were much higher than that required for test environment.

23. Thus the current E1 allocation is more than reasonable and adequate, and aligned with licensing norms, which highlight provisioning of 'reasonable' interconnect facilities.
24. You may recall that RJIO had in the guise of test environment on 21.06.2016 provided us with an estimate of Pols needed over next 3-12 month period.
- a. The Authority would know that traffic data and subscriber numbers back-calculated from a "free" period is no scientific basis to decide investment from terminating operators for a "post-free" period.
 - b. The Authority would also agree that interconnect capacities are dimensioned based on actual subscriber growth and not extrapolations based on free traffic, that too non-compliant. Such large augmentations of capacities at our end consume large investments for expansion in our capacities in the radio access network and Inter MSC trunks.
 - c. Without prejudice to the above, kindly note that 3126 Pols allocated to RJIO as on date is much higher than even RJIO's own projections. Typically RJIO had shown a requirement of 2586 Pols for 22 million subscriber base for the first quarter. The number of Pols allocated by Idea till date is 2765 Pols, even though the RJIO subscriber base is nowhere near 22 million. Hence we are overshooting RJIO requirement of Pols even by RJIO's own estimate. Please see below :

Comparison of RJIO estimate demand versus actual allocation by Idea.			
Sr. no	Circle	Total E1 s allocated as per their letter of 21.06.2016	Total E1 s allocated by Idea as on 29.09.2016
1	AP	159	225
2	Assam	49	40
3	Bihar	116	163
4	Delhi	100	112
5	Gujarat	150	161
6	HP	70	48
7	Haryana	154	122
8	J&K	50	37
9	Karnataka	106	137
10	Kerala	233	213

11	Kolkata	66	56
12	Mumbai	102	100
13	Maharashtra	214	266
14	MP	250	245
15	North East	36	29
16	Orissa	47	47
17	Punjab	157	139
18	Rajasthan	100	117
19	TNC	56	89
20	UP(E)	91	130
21	UP(W)	194	195
22	West Bengal	86	94
Total		2586	2765

Part IV.

Reasons for QoS failures, such as they are, are solely attributable to RJIO

Congestion is a programmed outcome of RJIO's Policies

25. RJIO 's Outgoing/Incoming Ratio, which was 8:1 when we first alerted the Authority, then 12:1, now 20:1, Is a one-way-traffic. RJIO have projected a 100 million base in a very short time, which surely they will seek to expand to 200 million before too long, maybe a year. With this feast of free voice calling, RJIO's subscribers alone will require terminating operators to replicate network capacities, built over the last 20 years in just the next year or so, through some miracle of funding and execution. Thereafter operators like us must rapidly inflate network capacity year after year, to absorb the insatiable appetite of RJIO's customers to use the free voice call facility provided by RJIO. Should RJIO's customers, for any reason, disconnect in the future, they we will be left high and dry.
26. RJIO are producing sheets and sheets of numbers about congestion, but congestion and call failure, leading to a blackout, are caused by RJIO themselves, as that is an inescapable and programmed outcome of the programs being pursued by RJIO.

IUC and PoI Guidelines have been rendered null and Inapplicable by RJIO.

27. As per the IUC Regulation 2015 (page 15), the traffic between the top seven operators who made up 95% traffic was imbalanced only to the tune of 4-14%. The TRAI therefore, followed the LRIC

model using Incremental Cost, instead of the Fully Allocated Cost FAC model which they followed in the same Determination for arrangements where traffic was imbalanced, illustratively, International Calling Card, Toll Free, etc. It is evident from the TRAI methodology and logic that had the TRAI then been required to address the one-way-traffic flows such as RJIO, they would certainly have followed the FAC model, assuming for a moment they would not have intervened to disallow the anti-competitive features, described later. It is also important to mention here that MTC computed as per LRIC model by TRAI itself lacks transparency and has been challenged in Gujarat High Court in 2015 and the matter is sub-judice. TRAI has not shared the details of calculation on how it has arrived at IUC of 11.83 paise. Besides this calculation of TRAI has following issues:

- a) Calculation of LRIC of 11.83 paise is incorrect and not shared
- b) Spectrum cost of 0.78 paise per min. by TRAI is incorrectly calculated & grossly understated
- c) License fee & SUC cost has not been considered by TRAI in the computation
- d) Incorrect mark up of 10% instead of 15% on common cost

For the time being even if we assume the TRAI figure of 11.83 paise per minute to be correct, the calculation would be as under, where the IUC would be in the range of 25 to 27 paise per minute.

Working of IUC Cost		As arrived by TRAI	Revised cost for Idea	Revised cost for Industry
Costs as Considered by TRAI				
Cost per minute as per LRIC model	paise	11.83	11.83	11.83
Markup for common cost	paise	1.183	1.77	1.77
Spectrum cost per minute incld 15% markup	paise	0.78	8.41	7.71
Mobile Termination Cost		13.79	22.01	21.31
Costs not considered by TRAI				
LF & SUC (Cost/min in FY15) incld 15% markup	paise	-	4.61	4.61
Total Mobile Termination Cost		13.79	26.62	25.92

28. It is futile and facile for RJIO to cite either the IUC provisions or the PoI guidelines, when RJIO have slaughtered the Tariff Order Regulations which are a cardinal and integral component of the IUC regime, leading to outcomes as below :

Avg Daily MOU in mn		R – JIO			BHARTI			VODAFONE		
Week	Date	IC	OG	IC/OG Ratio	IC	OG	IC/OG Ratio	IC	OG	IC/OG Ratio
Week 1	1-7 Jul	2.3	0.2	13.1	190.6	226.3	0.8	144.3	168.6	0.9
Week 2	8-14 Jul	2.7	0.2	13.4	190.4	221.3	0.9	144.2	162.5	0.9
Week 3	15-21 Jul	3.7	0.3	13.8	189.6	221.6	0.9	143.1	162.1	0.9
Week 4	22-28 Jul	5.0	0.3	14.9	188.0	221.1	0.9	142.3	162.2	0.9
Week 5	29Jul - 4Aug	6.4	0.4	14.6	187.7	221.0	0.8	142.2	162.7	0.9
Week 6	5-11Aug	8.4	0.6	14.2	191.9	226.7	0.8	144.5	165.6	0.9
Week 7	12-18Aug	9.5	0.7	14.3	191.9	228.2	0.8	143.9	166.3	0.9
Week 8	19-25Aug	10.8	0.8	14.3	192.6	228.3	0.8	144.3	166.9	0.9
Week 9	26Aug - 1Sep	12.0	0.8	15.3	192.1	228.0	0.8	143.7	166.6	0.9
Week 10	2-8 Sep	13.2	0.8	16.5	192.0	228.0	0.8	143.8	167.2	0.9
Week 11	9-15 Sep	14.6	0.8	17.4	194.8	233.3	0.8	145.4	170.9	0.9
Week 12	16-22 Sep	16.3	0.9	18.6	197.0	233.8	0.8	146.4	172.1	0.9
Week 13	23-29 Sep	18.6	1.0	18.8	196.9	230.2	0.9	146.2	171.7	0.9
Week 14	30Sep- 6Oct	28.0	1.6	17.1	196.6	231.0	0.9	145.1	170.7	0.9

29. Cost per Minute FAC model for Idea works out to 31.3 paise basis Q1 FY 17 costs. The current IUC charge of 14 paise (already contested by us) results in a loss of 17.3 paise per minute due to asymmetry of traffic. Similar asymmetry of traffic exists in International Calling Card, Toll free etc., where the IUC cost is determined at 40 paise per minute. The loss suffered by Idea month on month computed on the basis of 17.3 paise (31.3p – 14 p) is as under:

		Jul	Aug	Sep
MOUs Terminated by RJIO on Idea network	Mn MOUs	98	261	425
MOUs Terminated by Idea on RJIO network	Mn MOUs	7	18	23
Ratio of Asymmetry	IC / OG	13.8 times	14.5 times	18.5 times
Asymmetry on account of free services offered by RJIO	Mn MOUs	91	243	402
Loss per minute	Paise / minute	17.3	17.3	17.3
Loss for the month	Rs.mn / month	15.7	42.0	69.5

As is evident from above, the loss is increasing every month with increasing subscribers and imbalance between incoming and outgoing traffic. In Sept, 2016 the loss has increased 4 times that of July, 16

30. Large One-Way-Traffic and Congestion are two sides of the same coin. They are CAUSE & EFFECT. Large One-Way Traffic is the Cause, and Congestion is the Effect. The two are joined at the hip. They cannot be artificially delinked.

Further, it is RJIO which is solely responsible for delays in Pol activation.

31. The Authority may take note of the delays being caused by RJIO’s tardiness in activation of Pols. Please refer to our email of 04.10.2016 (enclosed as Annexure C6), wherein we highlighted, *“In this regard, please also find enclosed the copy of our letter written to RJIO highlighting the total Pol allocation. In our letter to RJIO, we have also highlighted (at Annexure C) that in many Circles, the augmentation is pending for many days due RJIO which is also impacting the congestion levels in these Circles. Annexure C also provides date of demand notice issued by us, date of payment made by RJIO, date of media provisioning by RJIO & final date of activation. We have also given remarks to highlight whether AT or augmentation is in process. The copy of this letter was also submitted to TRAI yesterday. Copy enclosed for reference “*
32. Please see the details below, wherein the chart shows that out of 3126 Pols (including 361 NLD Pol) allocated to RJIO, the total Pols allocated to RJIO are only 1182, while 404 Pols are under augmentation. Details of circle wise details enclosed as Annexure E.

Date	Total Access Pols allocated till date	Pols activated till date (RJIO O/G + IDEA O/G) out of total allocated	Pols under augmentation or AT (RJIO O/G + IDEA O/G) out of total allocated	POI pending due to payment and Transmission Media provisioning by RJIO (RJIO OG +IDEA OG)out of total allocated
	(RJIO O/G + IDEA O/G)			
3-Oct-16	2765	1182	404	1179

Thus for balance 1179 PIs the RJIO inaction and delays are caused due to RJIO unpreparedness leading to further congestion.

33. One of the reasons for the delay is the technical problem being faced by RJIO in augmenting PIs where the number of E1s have increased more than 128 E1's. This is because RJIO Interconnecting Nodes have 12 Bit CIC (Circuit Identity Code) allowing up to only 4096 circuits which allows to integrate only 2 x STM 1's (128 E1's only) with one Signaling point code. In all such cases of POI where the E1 have exceeded 128, a separate POI needs to be built by RJIO with different Signaling Point Code. This in turn is causing delays in building new POI, going through Acceptance testing and making through new E1's.

34. Also, we are not sure of the methodology being used by RJIO in measuring and reporting the congestion and its correctness. We have observed in their congestion reports that for some Circles, while the Busy Hour Utilization is around 50%, the congestion shown during Busy Hours is also around 50 %. In this connection, we are enclosing herewith the congestion reports submitted by RJIO to us for 03 Oct 2016 as Annexure G. In this report please see the data for AP and Mumbai. In view of the above anomalies in the data sent to us by RJIO, we cannot trust the congestion levels being reported by RJIO.

35. Even the current POI augmentation has been achieved by the dogged approach of our teams. Though the TRAI directions mandate provisioning of interconnection within 90 days of applicable payments, we have been working overtime to provide these facilities within hour, even when RJIO teams have cited issues such as Acceptance Testing, media provisioning etc. Thus the augmentation is taking longer which clearly shows the lack of readiness and planning by RJIO. These issues are still a challenge in many service areas and continue to impede the augmentation process.

36. Thus, while RJIO are fond of alleging huge call failure on account of insufficient PIs that is largely for propaganda and alibi-seeking, they should know that the real reasons lies with themselves.

Non-standard product offerings behind call failures of RJIO ?

37. RJIO has commenced its services with VoLTE and the voice is being provided using VOLTE. VoLTE deployment at such a large scale with no other backup for voice calls, has not been done anywhere in the world at present and hence RJIO offering is on a relatively new technology. **We are not aware whether the Licensor or Regulator have gone into the detailing of parameters & QoS standards being followed for VOLTE deployment and also whether these are primary reasons for call failure.** In any case no report has been shared by the Regulator on these issues, however, at the same time, without getting into detailed reasons as highlighted above, the Authority has chosen to issue Show cause notice to operators and single point agenda of congestion.

38. In addition RJIO is offering voice calls using a non-standard proprietary application called JIO Join for customers who do not have a VoLTE enabled handsets. Since VoLTE enabled handsets in the market are few, most of their subscribers are making voice calls using the Join application. **In this regard, field reports from across various service areas suggest that RJIO customers are facing huge technical challenges due to non-standard product offerings and also due to services being offered through JIO Join application for non-VoLTE handsets. :**

a. Conditions for originating Voice Calls in RJIO

- Voice Calls can ONLY be made if RJIO4G Voice app is downloaded in any non-VoLTE & few VoLTE handsets
- RJIO Data connectivity has to be always ON and RJIO4G Voice app also needs to be online for making calls and SMS.

b. Various failure scenarios of Voice Calls in RJIO

- No Incoming calls and SMS in cases of non-availability of RJIO Data connectivity.
- Non-availability of data due to internet usage restrictions enforced by the Govt. due to local security issues like riots, etc..
- Jio4GVoice app would not work on internet connectivity of non-RJIO network/ Public Wifi.
- Jio4GVoice goes off periodically due to which the app halts thereby restricting call & SMS connectivity

- In low data coverage areas, the call will be dropped.
- The app doesn't allow the 2nd SIM to make outgoing calls.
- Call will drop If a customer enters a Non-Data coverage area in the middle of a voice call
- The first user A's call is automatically disconnected if another user B tries to connect Jio4GVoice to the same RJIO Fi device, because when Device A is connected on Jio4GVoice through a RJIO Fi, if Device B tries to connect Jio4GVoice, Device A gets Offline immediately, leading to missed calls & SMS on Device A which has gone offline without knowledge of user
- **Besides, call failures, the Authority would also take note breach of privacy being caused by such applications.** The app requires several permissions to be granted on the user's phone including overriding phone settings such as battery settings. If this is not given, 'Jio4GVoice' app goes offline. In few handsets, the settings forcefully directs phone dialer calls to Jio4GVoice app overriding Voice call setting in phone. The app will not allow second SIM to make outgoing call at all, which is clearly restrictive in nature, and impinges on the customer's freedom to make calls. In case the above permissions are not accepted by the customer, then too the call failure happens.

In view of the above, the Authority should get all facts and details on VoLTE launch and JIOJoin App and analyse reasons for call failure before arriving at pre-meditated conclusions.

RJIO itself delaying allocation of Pols for Idea NLD links

39. While we have been allocating Pols from our side, but **our requests for augmentation of POIs for Idea NLD are not being processed by the RJIO Circle Teams.** This is despite the fact that IDEA is paying the Set-Up Charges, Port Charges and Media Provisioning for these required IDEA-NLD POI E1s. As of today, RJIL-NLD OG POI has 361 E1s allocated by IDEA but on other hand IDEA-NLD POI has ONLY 43 E1s allocated from RJIL. **Out of these 43 E1s allocated till date we ONLY have 21 E1s working which are having very high Utilization and Congestion causing huge Quality concerns for subscribers on both sides. Details as below :**

IDEA NLD OG Traffic terminating into RJIL						
Sr no	Circle	Initial allocated E1s to IDEA NLD	Total E1's after the allocated E1s on 22-Sep-16	Total E1's allocated for IDEA NLD	Utilization as on 30-Sep-16	Congestion as on 30-Sep-16
1	AP	1	1	2	137.9%	60%
2	Assam	1	1	2	57.7%	0%
3	Bihar	1	1	2	160.7%	867%
4	Delhi	1	1	2	159.6%	1415%
5	Gujarat	1	1	2	150.7%	207%
6	HP	1	1	2	89.0%	1%
7	Haryana	1	1	2	159.4%	758%
8	J&K	1	1	2	26.6%	0%
9	Karnataka	0	1	1	0.0%	0%
10	Kerala	1	1	2	60.4%	0%
11	Kolkata	1	1	2	99.0%	1%
12	Mumbai	1	1	2	148.0%	182%
13	Maharashtra	1	1	2	120.4%	16%
14	MP	1	1	2	160.0%	566%
15	North East	1	1	2	36.0%	0%
16	Orissa	1	1	2	130.9%	24%
17	Punjab	1	1	2	153.6%	342%
18	Rajasthan	1	1	2	156.5%	442%
19	TNC	1	1	2	85.0%	0%
20	UP(E)	1	1	2	156.6%	597%
21	UP(W)	1	1	2	160.0%	661%
22	West Bengal	1	1	2	100.3%	2%
Total		21	22	43		

40. Vide our letter of 03.10.2016 (copy enclosed as Annexure F1), we have shared with RJIO our circle wise E1 count in POIs for RJIL-NLD comparing with IDEA-NLD as allocation from both sides in Annexure F2 and also provided them with the IDEA NLD OG POI Utilization and Congestion report as on 1st October 2016 in Annexure F3, showing that IDEA customers are facing huge congestion and impacting calls from Idea to RJIO in many Circles. **We are yet to receive any response from RJIO on the same.**

Idea Has and Will Do Its Best

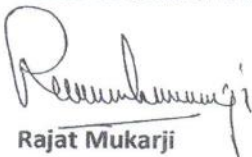
41. The Free Voice offerings in a CPP regime with below cost IUC, going on unchecked for over 6 months, the millions of connections, the large one-way-traffic, is a situation not envisaged in Indian regulations, and without parallel anywhere in the world. **Despite our very serious misgivings, we have been working continuously with RJIO, in line with the Authority's directions of 09.09.2016, and at very large cost to ourselves and our business.** We have carried out expeditious augmentation of POIs from a total of 565 prior to launch to 2115 as on 22.09.2016 to 3126 as on 30.09.2016.

Such speed and quantum of provisioning, within just 3 weeks of the commercial launch of RJIO, should normally be commended and should be duly acknowledged. Especially, since such a Show Cause Notice is an abuse of law and procedure as the regulation itself provides for a 30 day period even before arriving at a 'prima facie' tentative finding and therefore the Show Cause Notice contravenes/ violates TRAI's own regulation/ stipulation, and is contrary to law.

Seen in this context and perspective, it is clear that the basic jurisdictional facts establish that POIs have been significantly augmented in a very short period of time (expeditiously) and hence the show cause should be dropped/ withdrawn. Without prejudice to the above, incase the Authority needs any further clarification/ information, we seek a personal hearing in line with the mandate of Section 11(4) of the TRAI Act to enable Idea to place its case/ stand, and further elaborate on the reasons of the facts set out in this communication so that the authority has a complete and holistic picture.

Thanking You,

For IDEA Cellular Limited



Rajat Mukarji

Chief Corporate Affairs Officer

Enclosed: List of Annexures on page 19 & relevant annexures subsequently.