

Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg, Old Minto Road,
New Delhi

File No.416-2/2007-FN

Dated the 5th December 2007

Subject: Implementation of Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006 dated 27.11.2006 – Decision in pursuance of Clause 10(8) of Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006 dated 27.11.2006.

Telecom Regulatory Authority of India (hereinafter referred as Authority) had issued Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006 (13 of 2006) on 27.11.2006. These Regulations mandate interconnection among all the eligible service providers so that subscriber of an access provider can access the Intelligent Network (IN) services provided by any other service provider.

2. Having considered the opinion of various stakeholders, the Authority have left the commercial and technical arrangement for IN services for the mutual negotiation between the operators. In the Regulation it was also mentioned that in case service providers fail to enter into agreement or arrangement within stipulated time the Authority shall specify the interconnection arrangement.

3. The Authority reviewed the position of interconnection agreements after specified time in Regulations and show-cause / explanation notices were issued to the service providers after taking note of the fact that few of the service providers have not entered into agreement. Meetings on implementation of IN Regulation were also held with all service providers. During the meeting service providers agreed to submit the signed IN agreements with all other service providers as per the time agreed with them.

4. In Explanatory Memorandum to the above Regulation, it was mentioned that IN services should be implemented quickly at least for free phone services and VCC. The Authority has examined all the IN agreements filed by service providers for IN services and noted that all such service providers agreed to extend the access of their IN based free phone service.

5. During the meeting it was also observed that main issue is regarding the access charges paid to the originating access provider by the telecom service provider who is extending its IN based free phone services to the subscriber of originating access provider. The Authority has also noted that all the service providers have mutually agreed to extend IN services on already existing point of interconnection established between the service providers as per the present licence condition and regulatory framework.

6. Therefore, the Authority has decided to specify the access charges to be paid to the originating access provider by the telecom service provider who is providing Free Phone services and have not entered into agreement till date. Since no other major hurdle pointed out by any service provider during the meeting, all other clauses of agreement may be finalized by the service providers themselves and existing clauses of agreement / arrangement will remain intact. If both the service provider

i.e. originating access provider and Free Phone service provider is not in the same service area, then apart from the access charges specified herein, other charges and sharing of revenue shall be in accordance with the interconnection charges Regulation specified under the Telecommunication Usage Charges Regulation, 2003 (4 of 2003).

7. The Authority deliberated upon the various aspects of the matter and has made the following decision:

- (i) For all IN based free phone call from any network, free phone service provider shall pay Rs. 0.52 to the originating service provider. It also includes calls originating from national / international roaming subscribers. This access charge will be applicable to those service providers who have not entered into agreement till date. It will not affect in any manner the charges already mutually negotiated between the service providers.
- (ii) Originating service provider shall handover free phone call to free phone service provider at existing point of interconnection.
- (iii) All the service providers who have not entered into agreement for IN based free phone services till date are directed to enter into agreement in the framework of above decision or mutual agreement within 15 days of this decision i.e. before 20.12.2007 and submit agreement to the Authority for registration within 15 days from the date of entering into such agreement.
- (iv) All the service providers who have already entered into agreement on or before 15.11.2007, they are directed to send compliance of implementation to the Authority on or before 15.12.2007. Compliance of implementation of agreement signed after 15.11.2007 shall also reach to the Authority within 30 days from the date of entering into such agreement.

8. This issues with the approval of the Authority.

Yours faithfully,

(Lav Gupta)
Pr. Advisor (FN)

Note. --. An Explanatory Note below provides the detailed analysis leading to the above Decision.

Explanatory Note

TRAI's analysis on implementation of Intelligent Network Services in Multi Operator Multi Service Scenario Regulation, 2006 (13 of 2006) dated 27.11.2006.

1. TRAI issued Intelligent Network Services in Multi Operator Multi Service Scenario Regulation, 2006 (13 of 2006) on 27.11.2006. This Regulation was issued so that subscriber of an access provider can access the intelligent network services provided by any other service provider. This Regulation was a step towards the overall policy framework being developed by the Authority for improving the availability of modern telecommunication services across the country.
2. Having considered the opinion of various stakeholders, the Authority have left the commercial and technical arrangement for IN services for the mutual negotiation between the operators. Relevant clause 10(4) and 10(6) are reproduced below:

"Every arrangement or agreement under sub-regulation (2) shall be entered into within ninety days from the date of commencement of these regulation for providing Intelligent Network Services to subscriber of other telecom service providers:

Provided that in a case any Basic Operator or Cellular Mobile Service Provider or Unified Access Provider fails to enter into arrangement or agreement under sub-regulation (2), the Authority may, on an application made by the concerned service provider and having regard to the interest of the service providers and consumers of the telecom sector, extend the said period of three months to six months."

"Every arrangement or agreement entered under sub-regulation (2) shall be submitted to the Authority for registration within fifteen days from the date of entering into such agreement."

3. The Authority reviewed the position of the interconnect agreements filed in TRAI for registration after specified time in the Regulation and observed that few of the service providers have not entered into agreement for the IN services with any of the service providers. Accordingly, show cause / explanation notices were issued to the service providers on 18.05.2007 and 11.05.2007 and extension of three months i.e. up to 27.05.2007 was also given to the service providers who have asked for. A number of meetings were held with service providers which inter-alia includes meeting with M/s. Hutch, M/s. MTNL, M/s. Shyam, M/s. Aircel, M/s. HFCL, M/s. BPL, M/s. IDEA, M/s. Spice, M/s. TTSL, M/s. Bharti, M/s. BSNL, M/s. Reliance on 03.07.2007 and from 10.07.2007 to 13.07.2007. During the meeting with service providers they agreed to submit signed IN agreement with all remaining service providers within a definite time frame as agreed during the meeting.
4. The Authority is concerned for not entering into agreement between some of the service providers after giving sufficient time for the mutual negotiation. It must be acknowledged that subscribers are still deprive of accessing the IN services of other service providers. Subscriber in many respects is captive to operator. The Authority has also noted the fact that in Explanatory Memorandum it was mentioned that IN services would get implemented at least for free phone services and VCC. Relevant Para 16 (iv) is reproduced below:

"A crucial factor in favour of leaving architecture open for service providers is that IN service would get implemented quickly at least for

Free Phone service and VCC. The Authority has also noted the technical difficulties in implementing location based Intelligent Network Services as well as provision of services through Intelligent Peripherals in case the architecture is specified. IN committee also recognized that Free Phone and VCC (Voice Calling Cards) should be the first set of IN services to be implemented."

5. The Authority has examined all the IN agreements filed by the service providers and access charges for IN services. The Authority noted that generally the service providers agreed to extend the access of their IN based Free Phone Services. Few of the service providers had also extended IN based universal access (local) and universal access (long distance). During the meeting service providers have raised the issue of upgradation of resources including announcement machine etc. for extending the VCC services to the subscribers of other service providers. Attention was also invited that as per the existing licence conditions National Long Distance Operators (NLDOs) and International Long Distance Operators (ILDOS) cannot access subscribers directly for giving IN based VCC services to the subscribers. However, VCC service by its own nature is the service for making long distance and international long distance calls. It was also pointed out that VCC card of an access provider working in other service area will not be in line with the existing regulatory framework and licence conditions. Therefore, the Authority refrains from taking any decision at this stage on IN based VCC and leave it to the service provider for mutual negotiation. However, it reserves its right to revisit the subject in case service providers are not mutually agreed for providing IN based VCC services to the subscribers of other access providers.
6. During the meeting it was also observed that main issue is regarding access charges paid to the originating access provider by the telecom service provider who is extending its IN services to the subscriber of originating access provider. The Authority have also noted that all service providers have mutually agreed to extend IN services on already existing point of interconnection established between the service providers as per the present licence conditions and regulatory framework. Since all the service providers have agreed for one type of architecture i.e. handing over IN based call on existing point of interconnection, therefore, only one issue remains the access charges to be paid to the originating access provider by the telecom service provider who is providing Free Phone services.
7. The Authority recalls the clause 10(8) of the Regulation which is reproduced below:

"In case any Basic Operator, Cellular Mobile Service Provider or Unified Access Service Provider fails to enter into agreements or arrangements within the stipulated time, they shall intimate within fifteen days of such failure to the Authority with complete details thereof and after examining such failure and details furnished by the service providers, the Authority shall specify the interconnection arrangement."
8. Since few of the service providers have not entered into any agreement till date, therefore, the Authority has left with no option except to take the present situation as a failure for mutual negotiation between some of the service providers and invoke the clause 10(8) in the larger consumer interest. If the access charges are not specified at this stage the remaining agreements are expected to take a long time in being signed.
9. The Authority has observed that the access charges paid to originating access provider by the IN service provider varies from Rs. 0.36 to Rs. 0.95/minute in the agreement filed by the various service providers. The

Authority has further noted in most of the cases mutually negotiated access charge is Rs.0.52/minute.

10. While specifying the access charges, the Authority has analysed the matter in detail and noted that for handing over IN based free phone call, originating access provider also require to select an appropriate IN service provider, upgrade their port to carry traffic generated for these calls apart from normal work done in originating / terminating the call. The Authority further noted that there are also chances of failure of call during its travel from originating point to final delivery point which is not the case in terminating the call. Therefore, the Authority decided that access charges should be higher than normal termination charge and at the same time it should not be so high that free phone calls becomes too costlier to the called party. A markup is therefore justified above the termination charge for the additional work done in originating the IN free phone call. The question of markup has already been settled by the industry as reflected by the agreements that have been signed. The most common share for the originating service provider, as per existing agreement, is Rs. 0.52.
11. Keeping in view the above, the Authority has decided that there is no need to have cost based calculation at this stage and charges filed by the majority of the service providers can be taken as bench mark for specifying the access charges. Therefore, the Authority decided that the access charge should be Rs. 0.52/minute for all IN based free phone call including calls originating from normal and national / international roaming subscribers. The Authority further noted that there is variation in the access charges for call originating from normal and roaming subscriber and expect that all the service providers will modify their existing agreement in compliance with recent judgment of Hon'ble TDSAT in Appeal No.14 of 2006.
12. It was also noted that there is no major issue raised during the meeting with service providers for mutual agreement except access charges and, therefore, the Authority is also of the view that there is a no need to specify each and every clause for entering into agreement between the service providers as they already have some arrangement or agreement for carrying their normal voice traffic.
13. Attention of the Authority is also drawn for various different access charges agreed between the operators for IN based services including free phone services. Since these charges are mutually agreed between the service providers, therefore, these will remain intact and will not be affected by this decision of access charges of Rs. 0.52/minute for free phone services and the Authority decided that this access charge would be applicable to only those service providers who have not entered into agreement till date. All the service providers who have not entered into agreement for IN based free phone services are directed to enter into agreement in the framework of above decision or mutual agreement within 15 days of this decision i.e. before 20.12.2007 and submit agreement to the Authority for registration within 15 days from the date of entering into such agreement.
14. The Authority is also concerned about the non-implementation of the IN agreement within 30 days from the date of entering into such agreement. Therefore, the Authority has decided that all the service providers who have already entered into agreement on or before 15.11.2007 to send their compliance of implementation to the Authority on or before 15.12.2007. Compliance of implementation of agreement signed after 15.11.2007 should also be sent to the Authority within 30 days from the date of entering into such agreement.
