

Presentation by
Association of Competitive Telecom Operators
(ACTO)

First Meeting Of The Committee To Purge The
Infructuous Regulations

27th March, 2017

Introduction

- ❖ ACTO is an industry association, registered under Societies Registration Act, 1860.
- ❖ Our members provide CUG/VPN and Internet services under ILD/NLD/ISP license issued from DoT. The CUG/VPN traffic or the network does not interconnect to the PSTN/PLMN in India. Our members are standalone licensees and provide services based on resources from other licensees which are largely integrated.
- ❖ The services are provided to Indian BPOs, IT/ITES/KPOs companies, Global and Indian MNCs and Enterprise Customers, specifically and only in the Enterprise and Data Services Segment and not to individual subscribers or mass market customers in India.
- ❖ In light of the above background we would like to humbly submit our suggestions.

The Reporting System on Accounting Separation Regulation, 2016 (5 of 2016)

Issue:

- As per existing regulations, all TSPs are required to report on ASR to the authority (there is some dispensation given to certain category of licensees – please briefly mention the same).
- Current ASR regulations do not differentiate between dominant/ Significant Market Power (SMP) and small/standalone operators (like our members), resulting in relatively higher regulatory cost to smaller TSPs.
- The ASR regulations needs to be aligned with the international regulatory practices. For example, in Singapore, ASR is simplified where it is applicable to dominant FBO (Facility Based Operators) and smaller operators are exempted.

Suggestions:

- We request the Authority to exempts the vertically non-integrated / standalone operators from filing ASR reports. This will be in line with practice prevalent in economies like Singapore.
- We feel that Accounting Separation is applicable only to SMP telecom operators who are integrated telecom service providers in its jurisdictions.

Accounting Separation Regulationcontd.

Justification:

- International Telecom Union (ITU)'s Guidelines on the implementation of Regulatory Accounting in Telecommunications Sector of March, 2009 has recognized that accounting separation and cost accounting models are ex-ante obligations imposed on SMP operators worldwide.
- ACTO members provide enterprise data services to multi-sited global and Indian corporations, as well as BPO outsourcing and ITES sector operating global networks.
- Our member companies are not integrated facility-based telecom operators. Instead, they are standalone ILDOs/NLDOs/ISPs - non-facility-based operators which only provide enterprise data services to their customers. Hence, such operators, even being ILDOs/NLDOs, should not be subject to the same ASR requirements.
- A one-size-fits-all regulation in this instance could be construed as “over-regulation” of alternative operators. Proportionate regulation also ensures that the authority's resources are focused on more critical areas.

In light of the above, ACTO submits that TRAI should consider doing away with the requirement for non-dominant/SMP operators like our member companies to comply with the Accounting Separation Regulation.

Quality of Service of Broadband Service Regulation, 2006. 11 of 2006 and TRAI guidelines for better Internet/broadband service, 21 of 2009

Issue:

- ❖ The reporting requirement of Quality of Service of Broadband Service Regulations 2006 asked the service providers to submit the Performance Monitoring Reports on the QoS benchmarks for all the parameters in the format to be prescribed by the Authority on Quarterly basis. It does not segregate between retail and enterprise customers.
- ❖ TRAI guidelines dated 2nd March, 2009 asked for providing/publishing contention ratio that requires costly tools and also increases regulatory cost for broadband services.

Suggestions:

- ❖ We request hon'ble authority to do away with the performance reporting on QoS for broadband services by ISPs when the service is provided to enterprise customers.
- ❖ Also request TRAI to not impose/mandate to have measurement of contention ratio as it adversely impact the growth of broadband services due to increase in regulatory cost for ISPs on investing measurement tools. This regulation makes broadband service more costly rather than affordable.

Quality of Service.....contd.

Justification:

- ❖ Our members solely cater to the enterprise market / customer and not to mass market consumer business.
- ❖ The service is provided to multi-sited MNCs, Indian BPOs, and software companies operating global networks in India and across the world.
- ❖ The services to enterprise customer are guaranteed and backed by strict Service Level Agreement (SLAs). Before the service / link is provisioned to the enterprise customer, the bandwidth requirement is ascertained in advance to ensure that the quality of service guaranteed does not suffer when services are actually provisioned.
- ❖ We ensure quality of service to the segment we cater which are backed by specific and strict SLAs agreed as part of contracting arrangement. Copy of SLAs have also been submitted to TRAI as part of quarterly Performance Monitoring Report filed with TRAI.

Hence the requirement as stated under the captioned TRAI regulation including those requiring publishing of contention ratio may not arise or pertain to our areas of operation (enterprise market)/ product offering like leased lines. Such regulations should apply to mass market consumer services.

Quality of Service.....contd.

- ❖ Moreover technology is changing very fast and it increases the QoS more effectively rather than regulation.
- ❖ Being it is driven by technology, market and customers, the Quality of Service of Broadband Service Regulations 2006 and 2009 may require to review for curtailing it to mass market consumer business. This would help for the growth of broadband services in India making it more affordable by reducing regulatory cost to it.

Review of the Reporting Requirements laid down by TRAI under ILD & NLD license pertaining to switched voice service

Issue:

- ❖ Current reporting requirement from TRAI applicable to ILD/NLD license is solely switched voice centric ILDOs/NLDOs providing only data services are also need to submit report in the same format which are meant for switched voice services.
- ❖ Since our members do not provide switched voice services, the current requirement mandate filing of “Nil” reports on monthly, quarterly basis. This is required both online and in hard copy.

Suggestions:

- ❖ We request hon'ble authority to review the current reporting by linking into to the service offered.
- ❖ Our members do not offer switched voice services under ILD/NLD license. However, in compliance to the current requirements, our members continue to file “Nil” reports which somehow does not adds any value.

Review of the Reporting Requirements.....contd.

Justification:

- ❖ ACTO member companies having NLD/ILD/ISP licenses provide enterprise data services only.

- ❖ Almost all the reports are voice centric and thus these reports are currently filed as “NIL”. Filing “NIL” reports with a periodicity of monthly/quarterly does not add any value.

- ❖ Instead an undertaking of not offering conventional voice services at the beginning of the Financial Year and to comply with the voice related compliance requirement as soon as any TSP start offering voice service would be appropriate and will serve the purpose of TRAI in more efficient way.

- ❖ Some of the reports from switched voice services perspective are as below for which “Nil” reports are being filed. Such requirements should be exempted to ILDOs/NLDOs which are not providing switched voice services.
 - a. POI Interconnect report
 - b. ILD Traffic Report
 - c. ILD format 3 – Inbound traffic
 - d. ILD Format 5 – submission by Access provider
 - e. ILD Format 6- submission by NLDO
 - f. ILD Format 7- submission by NLDO
 - g. ILD Traffic Format Mobile – Submission by Access provider



Thank you !!

Association of Competitive Telecom Operators (ACTO)

74 UGF, World Trade Centre, Babar Road, Connaught Place

New Delhi-110 001

Tel. No. +91-11-43565353, +91-11-43575353,

e-mail: info@acto.in web: www.acto.in