



COAI INDUSTRY REPORT May 2008

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I. [SUBSCRIBER FIGURES](#)

- 8.62 million Wireless Subscribers added in May 2008.
- Broadband subscriber base reaches 4.15 million mark.
- Tele-density reaches 27.59%.

	Subscribers in mn	
	Apr'08	May'08
Wireline	39.21	39.05
Wireless	269.30	277.92
Total	308.51	316.97

Source: TRAI

- **The GSM subscriber Base Crosses the 200 million mark.**

	Subscribers in mn	
	Apr'08	May'08
GSM	199.18	205.80
CDMA	65.25	71.58

Source: COAI & AUSPI

	Subscribers in mn	
	Apr'08	May'08
Broadband	4.01	4.15

Source: TRAI

II. [RURAL SUBSCRIBERS](#)

	Subscribers in mn	
	Apr'08	May'08
GSM	42.5	44.58

Source: COAI

III. [TELEDENSITY](#)

	%	
	Apr'08	May'08
Total	26.89	27.59

Source: TRAI

IV. [AVERAGE REVENUE PER USER \(ARPU\)](#)

	Rs/Subs/Month	
	Dec'08	Mar'08
GSM	261	264
CDMA	176	159

Source: TRAI PMR Report for Qtr ended Mar' 08

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V. MINUTES OF USAGE (MoU)

Minutes/Subs/Month

	Dec'08	Mar'08
GSM	464	493
CDMA	375	364

Source: TRAI PMR report for Qtr ended Mar'08

VI. SPECTRUM ALLOTMENTS

May 15, 2008 - GSM Spectrum (initial) to Datacom, Loop, Swan, Aska Project, TTSL (crossover) in Kerala.

CDMA Spectrum (Initial) to Shyam Telelink in Maharashtra.

May 16, 2008 – GSM Spectrum (Initial) to Unitech in Kerala

May 24, 2008 – GSM Spectrum (Initial) to Datacom, Loop, Unitech and Swan in A.P.

May 28, 2008 – GSM Spectrum (Initial) to Unitech. in A.P.

Source: Media Reports

VII. TRAI CONSULTATION PAPER ON ALLOCATION AND PRICING FOR 2.3-2.4 GHZ, 2.5-2.69 GHZ & 3.3-3.6 GHZ BANDS

On May 02, 2008, TRAI issued a Consultation paper on Allocation and Pricing for 2.3-2.4 GHz, 2.5-2.69 GHz & 3.3-3.6 GHz bands. Through this consultation paper, TRAI solicited comments from stakeholders on the following issues:

- Eligibility for allocation of spectrum,
- Maximum amount of the spectrum which can be allocated to each bidder and
- Pricing of the spectrum in these bands.

Click here to download the Consultation Paper:
<http://www.traai.gov.in/traai/upload/ConsultationPapers/141/cpaper2may08.pdf>

VIII. TRAI CONSULTATION PAPER ON MOBILE VIRTUAL NETWORK OPERATORS (MVNO)

On May 5, 2008, TRAI issued a Consultation Paper on MVNOs in the Indian market.

Various issues raised for Consultation were:

- Concept and Definition of MVNO
- Different MVNO Models
- Need and timing for entry of MVNO
- Regulatory approaches
- Licensing and Regulatory framework covering aspects such as Eligibility, Scope of service, License Fees, Obligations, FDI, Tariff, Quality of Service etc

The Consultation Paper also discussed the possible business strategies of the MVNOs such as offering services with low price, focusing on specific customer segment, offering differentiated Value Added Services, etc.

Click here to download the Consultation Paper:
<http://www.traai.gov.in/traai/upload/ConsultationPapers/142/cpaper5may08.pdf>

IX. TRAI ISSUES CONSULTATION PAPER ON CARRIER SELECTION

May 07, 2008, TRAI issued a Consultation Paper on Carrier Selection including possibilities of allowing long distance service providers to issue calling cards.

Earlier, TRAI had issued Directions for implementation of Carrier Selection in July 2002 which was later deferred considering level playing field and huge implementation cost. However, TRAI once again recognized necessity for a fresh consultation on Carrier Selection and related issues due to following reasons:

- Carrier Selection would bring in competition, spur investment and innovation, improve operational efficiencies, improve quality and lower cost.
- Need for discussion whether Carrier Selection would make sense in any form in the changed environment.(recent development)
- Interconnect Usage Charge (IUC) regime had undergone changes in terms of interplay between origination, termination and carriage charges. Impact of Carrier Selection on these charges and vice versa need to be discussed.
- A number of stakeholders still feel that long distance segment is not as competitive as access and implementation of carrier selection in some form would have a sobering effect on the prices.

Click here to download the Consultation Paper:
<http://www.traai.gov.in/traai/upload/ConsultationPapers/143/cpaper7may08.pdf>

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X. TRAI CONSULTATION PAPER ON ISSUES RELATED TO INTERNET TELEPHONY

On May 12, 2008, TRAI issued a Consultation Paper on Issues Related to Internet Telephony. The Paper discussed, amongst other things, the need and timing to further liberalize present regulatory restriction, applicable to Internet telephony in existing Internet Service Providers (ISPs) licensing regime.

Further, some of the key issues raised for Consultation in this Paper were:

- Permitting ISPs to provide Internet Telephony subscribers within India.
- Numbering issues
- Issues pertaining to National Security.
- Issues related to Interoperability, Standardization and QoS.
- Issues related to Interconnection including applicability of present IUC regime.

Click here to download the Consultation Paper:
<http://www.trai.gov.in/trai/upload/ConsultationPapers/145/cpaper12may08.pdf>

XI. TRAI CONSULTATION PAPER ON GROWTH OF VALUE ADDED SERVICES AND REGULATORY ISSUES

On May 28, 2008, TRAI issued a Consultation Paper on Growth of Value Added Services and Regulatory Issues.

The key issues raised in the consultation paper were:

- Need to bring uniformity or clarity in the licensing conditions of mobile telecom operators/access service providers with regard to provision of value added services.
- Licensing obligation of telecom operators.
- Need to bring Content Provider/Aggregators called Value Added Service Providers (VASPs) under the Licensing Regime.
- Scope of the Licence and other terms and conditions for Licensing Mobile Value Added Services including new/enhanced services in 3G, Next Generation Network (NGN) Environment.
- Licensing obligation for protecting copy rights, including digital rights management,

and infringement of other laws of the country on Value Added Service licensees.

- Regulatory framework for Content Regulation.
- Allocation of short codes for VAS, in order to have uniformity amongst all the telecom operators and to enable branding of VAS.
- Revenue share Model in Mobile VAS Value Chain and its transparency.

Click here to download the Consultation Paper:
<http://www.trai.gov.in/trai/upload/ConsultationPapers/147/cpaper28may08.pdf>

XII. TARIFF CHANGES BY THE OPERATORS

On May 06, 2008, Vodafone slashed its STD tariffs to Rs. 1.30 a minute across the country.

Further, roaming charges were dropped to Re 1 for all incoming and local outgoing calls. While a roaming subscriber could also make an outgoing STD call at the rate of Rs 1.50 per minute.

On May 09, 2008, Idea Cellular slashed STD charges to Rs 1.30 per minute for all its subscribers.

Idea also slashed National Roaming rates to Re 1 per minute on incoming and outgoing local calls and Rs 1.50 per minute while roaming for all STD calls. These tariff became applicable with effect from May 12, 2008.

On May 18, 2008 Mahanagar Telephone Nigam Ltd announced reduction in STD rates for its GSM service to Rs 1.25 per minute from existing Rs. 1.75 per minute

The STD rates for MNTL CDMA service Garuda mobile were also reduced from Rs 1.75 per minute to Rs 1.25 per minute in all plans.

On May 23, 2008, Spice Telecom reduced roaming and STD rates. The incoming roaming and roaming local call rates were reduced to Re 1 from Rs 1.75 and Rs 1.40 per minute respectively

The STD rates were reduced to Rs 1.30 per minute within home circle and to Rs 1.50 per minute for roaming.

Source: Media Reports

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XIII. SPICE TELECOM'S PLEA TO STAY SPECTRUM RELEASE

On May 28, 2008, Hon'ble TDSAT refused Spice Telecom's plea to stay the allotment of spectrum to new entrants stating that the process could not be stalled considering larger public interest.

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