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1. Subscriber Numbers for May 2006

A. GSM Subscribers

The All India GSM subscriber base grew from 72.2 million in April 2006 to **75.3 million in May 2006** – recording an addition of **3.2 million** during the month under review. There was an overall **growth of 4.23%** over the previous month.

Among all circles, Category C circles continued to witness the highest rate of growth at 7%, followed by Category A circles at 4.7% and Category B circles at 4.4%. In the metros, Chennai lead the growth at 3.1% followed by Kolkata, which witnessed a rise of 2.7%.

A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		April'06	May'06	April'06	May'06	
1.	Bharti	20.68	21.86	28.7%	29.0%	23
2.	BSNL	17059	18.00	24.4%	23.9%	21
3.	Hutch	16.06	16.77	22.3%	22.3%	16
4.	IDEA	7.64	8.06	10.6%	10.7%	11
5.	Aircel	2.83	3.02	3.9%	4.0%	7
6.	Reliance	2.01	2.16	2.8%	2.9%	8
7.	Spice	1.98	2.03	2.7%	2.7%	2
8.	MTNL	2.02	2.10	2.8%	2.8%	2
9.	BPL	1.31	1.29	1.8%	1.7%	1
	TOTAL	72.12	75.29	100.00%	100.00%	

The details of CDMA (digital mobile) are dealt with in the next section.

B. CDMA Mobile Subscribers

The total cumulative all India CDMA subscriber base rose by 0.97 million* from **23.25 million*** in March 2006 to **24.22 million*** in April 2006, representing a growth of 4.2%* in the month under review. A summary picture of the company wise performance is given below:

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SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		April'06	May'06	April'06	May'06	
1.	Reliance*	18.809	19.331	77.65%	76.33%	20

3.	TATA	5.323	5.902	21.98%	23.31%	20
5.	HFCL	0.062	0.062	0.26%	0.24%	1
6.	Shyam	0.028	0.028	0.11%	0.12%	1
	TOTAL	24.222	25.323	100.00%	100.00%	

Source: AUSPI

* Reliance Subscriber numbers also include WLL (F) numbers.

2. Apex Advisory Council for Telecom in India (ACT)

A. Working Group on Subscriber Verification

The Department of Telecommunication has formed a Working Group on Subscriber Verification under the Chairmanship of Mr. N. Parmeswaran, DDG (VAS) to review the list of documents prescribed for identity and address proof, with a view to increase the penetration of mobile phones in the country. The Working Group met several times during the month and based on inputs from all the stakeholders has prepared a draft report on Subscriber Verification. The report is being finalized by the DoT.

B. ACT Meeting with DoP

In its efforts to engage the Department of Posts to carry out the physical address verification for the mobile industry, ACT had a meeting with the Department of Post on **June 9, 2006** to discuss the DoP proposal and MoU. As agreed in the ACT meeting, ACT requested DoP to reduce its rates as well as tighten the timeliness given in their proposal. However, DoP regretted that the rate could not be revised downwards as the same was in line with their existing rules.

It was however agreed that DoP would consider:

- Limiting the time period of exclusivity to a period of six months
- Including a review/ exit clause in the MoU.

ACT is now awaiting feedback from the DoP on the above.

3. TRAI Consultation Paper on Admissibility of Revenue Share Between Visiting Network and Terminating Network for Roaming Calls

On June **16, 2006**, TRAI issued a Consultation paper on “Admissibility of Revenue Share Between visiting Network and Terminating network for roaming calls”. The issues raised for consultation were:

- a. Whether the terminating network service provider should be allowed a revenue share or get only the prescribed termination charges as prescribed by the Regulator?
- b. If revenue share is allowed, should it be a fixed percentage or allowed to be negotiated?
- c. Should the prescribed percentage be different for national and international roaming calls?
- d. Instead of a percentage, should the share be a fixed value decided by mutual discussions or prescribed by the Regulator?
- e. Should revenue share be restricted only to international roaming calls as for national roaming, ADC is collected as a percentage of AGR and there is a ceiling on national roaming tariffs?

TRAI has sought for comments from all the stakeholders before June 30, 2006.

A copy of the detailed Consultation Paper is available at the following link:

<http://www.trai.gov.in/trai/upload/ConsultationPapers/88/Consultation16jun06no12.pdf>

4. Interconnection Working Group

A. Working Group by DoT

The Department of Telecommunication has formed an Interconnection Working Group consisting of Joint Secretary (T), DoT, DDG (BS), DoT, Director (O), BSNL, Mr. TV Ramachandran, COAI and Mr. SC Khanna, AUSPI. The terms of reference of the Working Group are to:

- i. Review the present status of provisioning of interconnection
- ii. Review the existing license provisions relating to interconnection
- iii. Suggest appropriate actions for speedy interconnection

B. COAI's Response on Review of issues of Interconnection

COAI, vide its Letter No. TVR/COAI/121 dated **June 15, 2006** to DoT made a preliminary submission on various issues related to interconnection. Following were the recommendations and suggestions made by COAI:

Fundamental principles in line with WTO should be clearly enunciated in the License Agreement. This includes interconnection at any technically feasible point, under non-discriminatory terms, in a timely fashion and at cost-oriented rates that are transparent, reasonable, economically feasible and sufficiently unbundled. In respect of specific provisions it was recommended that:

- a. It should be clearly specified in the License the areas where
 - TRAI should fix the terms of interconnectivity.
 - The parties should mutually negotiate the terms of interconnectivity in a timely fashion

- b. In case of mutual negotiations, it should be clearly prescribed that in case of conflict; the TRAI's Regulations must prevail.

Other recommendations made by COAI were:

i Direct connectivity and the interconnect seeker/provider concept

- a. The license may be amended to provide direct connectivity as mandatory.
- b. License may clearly provide a comprehensive definition of "Interconnection Provider " and "Interconnection Seeker".

ii. Reference Interconnection Offer (RIO)

- a. Operators might be given the flexibility to negotiate terms of interconnection, but it must be provided in License that in the absence of agreement, the Model RIO published by TRAI must prevail.

i. Timely Provision of Interconnection

- a. Maximum period i.e. 90 days for providing interconnection by the Interconnection provider should be clearly specified in the License itself.

v. Intra Circle Carriage Charges

- a. License must recognize and record role of TRAI in fixing terms and conditions related to interconnection.
- b. While Operators might be given the flexibility to negotiate the terms of interconnection, it must be provided that in the absence of agreement, the directive, etc of TRAI must prevail.

vi. Augmentation

- a. License should clearly specify the period for which a licensee would be an Interconnection seeker and should stipulate that after the expiry of the said period, the cost of augmentation should be equally shared between the two interconnecting parties.
- b. In the event that it is decided that each party should bear the incremental cost incurred for additional ports required (as suggested by TRAI in its RIO), then it would be necessary to segregate the trunks for incoming and outgoing traffic so that each operator pays for his own augmentation.

vii. Principle of Reciprocity

- a. The principle of reciprocity must be enunciated in the License Agreements of the operators.
- b. As regards the exact rate of interest, provision of bank guarantees for IUC charges, if at all required, charges for collocation, etc, the license must provide that this may be as decided by the TRAI from time to time.

viii. Disconnection

- a. As agreeable to all concerned, a 10 days notice period might be provided in the License itself.
- b. Furthermore, a methodology be evolved whereby the disputing parties are able to settle the dispute within the said 10 days so as to avoid the disconnection and thereby avoid inconvenience to public.

ix. Near and Far-End Handover

- a. To ensure optimal utilization of the private operator's networks, reduce congestion in the BSNL networks and to benefit consumers through lower tariffs it is desirable that handover be permitted at the 'farthest' end.

x. Roaming

- a. As roaming is a USP of mobility and availability of this facility is in the interest of consumers, it may be considered whether roaming should be mandatory under license, on terms and conditions as laid down by TRAI.

xi. Carriage of Intra-Circle Traffic By NLDOs

- a. The license already incorporated this provision.
- b. There was need now to ensure that the same is implemented expeditiously within a given time frame.

5. Transparency in the Tariff Offers and in Disclosure to Consumers

TRAI vide its Letter No. 301-19/ 2006-Eco dated **May 23, 2006** wrote to all the telecom service providers asking them to improve and educate their retail outlet chain to cater to the requirements of the growing customer base. The Authority also asked the service providers to provide printed material in English and Vernacular Language to customers at the time of enrollment which would inter-alia contain:

- a. Full and complete tariff information sheet.
- b. The features of the service offered with special emphasis on roaming, premium rate services and other optional and value added services.
- c. The Terms and Conditions including the exceptions attached to the service in unambiguous terms.
- d. The rights of the consumers emanating from the various decisions of the TRAI
- e. The common charter of service agreed upon by the service providers.

A copy of the Letter is available at the following link:

<http://www.trai.gov.in/trai/upload/misc/4/Letter23may06.pdf>

6. TRAI Consultation Paper on Allocation of Pricing of Spectrum for 3G Services and Broadband Wireless Access

On **June 12, 2006**, TRAI issued a Consultation Paper on “Allocation of Pricing of Spectrum for 3G Services and Broadband Wireless Access “ to facilitate discussion & seek Public comment on the various relevant issues. The paper mainly discussed issues of 3G spectrum allocation, pricing related issues and also issues related to spectrum for Broadband Wireless Access.

TRAI has sought comments from all the stakeholders before June 30, 2006.

A copy of the detailed Consultation Paper is available at the following link:

http://www.traai.gov.in/traai/upload/ConsultationPapers/85/Consultation_12jun06.pdf

7. TRAI Consultation Paper on Interconnect Usage Charges for SMS

On **June 12, 2006**, TRAI issued a Consultation Paper on Interconnect Usage Charges for SMS. The consultation paper mainly discussed the need for regulatory intervention for Interconnect usage charges, specifically for SMS carriage and termination charges. The paper also discussed the pricing issues linked with activities like tele voting, lottery, online bidding etc. by the electronic and print media with the help of SMS.

TRAI has sought comments from all the stakeholders before June 30, 2006.

A copy of the detailed Consultation Paper is available at the following link:

<http://www.traai.gov.in/traai/upload/ConsultationPapers/86/consultationpaperno10.pdf>

8. Seminar on Economics of Interconnection

COAI organized a Seminar on Economics of Interconnection on **June 5, 2006** at Hotel Le Meridien, New Delhi. Shri. Nripendra Misra, Chairman TRAI was the Guest of Honor and inaugurated the event.

A number of presentations were made on various aspects pertinent to Economics of interconnection by experts from Malaysia, Vodafone Group & Spectrum Strategy Consultants. Some useful issues regarding the subject emerged from the workshop, which COAI proposes to undertake further.

A copy of the presentations is available at the COAI website at www.coai.in

9. Government Accepts TRAI's Recommendations Pertaining to Use of Special Characters for Intra-Network Value Added Services

On **June 1, 2006**, Government accepted TRAI's recommendations regarding use of special characters *, #, \$ etc from subscribers terminal within the network of intra access service licensee/ cellular mobile telephony service licensee/ basic service licensee for provisioning for intra network value added services or accessing/ provisioning of high speed data service. TRAI had submitted its recommendations on the same on April 13, 2006.

A copy of the Press Release is available at the following link:

<http://www.trai.gov.in/trai/upload/PressReleases/327/pr1june06no47.pdf>

10. TRAI Directive on Credit Limit for Post-Paid Subscribers

On **May 27, 2005**, TRAI issued a Directive to all Access Providers wherein it laid down certain system and procedure in respect of credit limit for postpaid subscribers. With reference to that TRAI issued a Directive on **June 7, 2006** directing all Telecom Access Providers that the credit limit set for a postpaid customer should be mandatorily included in the monthly statement/ bill of the customer on a regular basis.

A copy of the Directive is available at the following link:

<http://www.trai.gov.in/trai/upload/Directives/76/Direction7june06.pdf>

11. Issue of Docket Number for Customer Complaints and Termination of Service

A. TRAI Draft Directive on Issue of Docket Number for Customer Complaints and Termination of Service

On **May 26, 2006**, TRAI issued a Draft Directive on Issue of Docket Number for Customer Complaints and Termination of Service to keep a record of the interaction with the customer and the action agreed. TRAI directed all the Cellular Mobile Service Providers, Basic Service Operators and Unified Access Service Providers to-

- i. Assign a unique docket number for all calls made to the customer care helpline numbers and special numbers for registering complaint and convey the same to the customer at the time of such call
- ii. Adjust the security deposit against any pending bills or outstanding dues at the time of request for termination of service

- iii. Terminate the service within 24 hours of the receipt of a request for termination of service, which may be made through SMS, e-mail, fax, etc.

A copy of the Draft Directive is available at the following link:

<http://www.trai.gov.in/trai/upload/Directives/75/Direction26may06.pdf>

B. COAI's Response on TRAI's Draft Directive on Issue of Docket Number for Customer Complaints and Termination of Service

COAI, vide its Letter No. TVR/COAI/123 dated **June 19, 2006** to TRAI, made the following submissions on various issues raised in the Draft Direction:

- i. Assigning a unique complaint number was not a problem for the system and it could be communicated to the customers.
- ii. Authority should abide by its decision of its Letter No. 303-30/2003-TRAI-Ecn, wherein a time frame of 60 days was allowed for adjustment of security deposits.
- iii. Requests for termination of service should be required in writing (email/fax) and the operators should be given 3 working days to action the request.