



Vodafone's counter comments on TRAI's Consultation Paper on 'Migration to IP based networks'

1. Vodafone reiterates that IP interconnection should not be mandated but left to agreements between operators. There are existing interconnect agreements that are already in place - these are based on mutual agreement and cannot be unsettled. These agreements can be changed, if and only if, the Parties mutually agree for the change and there cannot be any mandate in this respect.
2. Further, any transition to IP networks will depend upon a number of factors such as spectrum availability, market maturity, service quality and commercial feasibility. The decision of establishing IP interconnection is thus best left to bilateral agreements between telecom operators based on the commercial, business and strategic decisions of each operator
3. We disagree with the view that there is an immediate need to mandate IP interconnection in a time bound manner without which converged service offerings cannot be offered by them, as non-establishment of IP interconnection does not restrict any operator from providing converged networks and services. It is submitted that even today, operators are providing 3G and 4G based converged network and service offerings to consumers in India, which allow consumers to access voice, data and video (incl. mobile TV).
4. As we have already pointed out the bulk of the interconnection is predominantly on TDM. There is thus no basis or justification to consider mandating IP interconnection and then move the cost of deploying media gateways to the TDM operators. This is completely contradictory to the practice followed so far where it is the seeker who has to bear the costs of interconnection, irrespective of the technology.
5. We also disagree with the view that there is no incentive for the legacy operator (using TDM networks) to migrate to IP networks as long as the onus remains on the IP operator to translate the traffic from IP to TDM, which may lead to non-adoption of voluntary IP based interconnection between the two operators. It is submitted that in all such technological upgradations, the onus rests on the new technology based operator that backward compatibility is ensured by vendors. For example, all operators are moving to IPv6 based networks and in this course of migration, all operators and website owners are ensuring backward compatibility with IPv4 so that the customers are able to avail seamless services during any migration to new standards. Migration to IP based networks needs to be allowed to progress naturally. A forced migration to IP based networks will potentially result in adverse customer and IP network implementation impact. It may additionally also lead to reduction of competition in the market as it will cause financial burden on the TDM operators which is especially undesirable given the present financially precarious position of the industry.
6. We disagree with the view that there are opposing interests between the existing operators and the new entrants, which may result in non-establishment of IP interconnection between such operators. We note that almost all operators have taken the view that migration to IP based networks is an ongoing process and it should allowed to take place based on the commercial, business and strategic decisions of each operator.



7. We do not agree with the view that Interconnect Exchange should be set up at circle level. We reiterate that operators (both existing and new) have already established direct interconnects (peer-to-peer) with each other based on mutually agreed terms and agreements and an IPX will entail an additional cost on operators. Apart from the financial implications, we have also pointed out, in our main response, several other issues with this proposal/suggestion. These are reiterated.
8. We strongly disagree with the suggestion that inter-operator settlements should be on bill and keep (BAK) basis in IP based networks, as
 - a. This submission is unrelated to whether the interconnection is on IP or TDM. As submitted by us, wholesale interconnection costs and charges include an entire range of elements and costs of which IP based interconnection is only a very miniscule element.
 - b. The Authority's own Interconnection regulations have consistently maintained that IUC should be cost based.
 - c. In any event, the issue of IUC is a part of a separate consultation that has already been initiated by the Authority
9. We disagree with the view that there should be BAK in the long term and volume and subsequently capacity based settlement in the short term. It is submitted that even foreign telecom operators/carriers with whom many Indian operators are connected on IP interconnection undertake inter-operator settlement of traffic on chargeable termination/carriage rates on a per minute basis.
10. We are also not aware of any instance in the world where the Regulator has mandated IP interconnection on non-per minute basis.

New Delhi
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