

Comments on:

Consultation Paper issued by the Telecom
Regulatory Authority of India (22-July-2005)

Comments by:

Dhananjay.K.V.
Advocate
Bangalore and New Delhi

Dhananjay.K.V, 32 years, is an Advocate by
profession and practices in Telecom and
Energy Sectors. Dhananjay.K.V. practices
in various jurisdictions and at the Supreme
Court, New Delhi.

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To
Sri Pradip Baijal
Chairperson
Telecom Regulatory Authority of India
New Delhi

Through

Secretary
Telecom Regulatory Authority of India
A-2/14 Safdarjung Enclave
New Delhi – 110 029

Dear Sir

Introduction:

Number Portability: I am delighted to note the consultation paper on Number Portability published by TRAI, the Regulator. I am further delighted to note that the consultation paper reflects a great amount of reading, research and an expert understanding of international developments related to Number Portability.

TRAI has, in my opinion, established a perfect case for introducing Fixed Number Portability too in its well researched consultation paper on Number Portability. While I am inclined to strongly disagree with the TRAI for its decision to postpone introducing of Fixed Number Portability, I do not dispute that Mobile Number Portability could happen without Fixed Number Portability. Fixed Number Portability, I hope, will soon follow Mobile Number Portability.

The introduction of Number Portability is an affirmation of the consumer interest as the primary orientation in the provision of Telecom Services. A common consumer position on Number Portability is best summarised by INTUG or International Telecommunication Users Group. (I do not represent INTUG here nor have I represented them before) INTUG is an association of National Telecommunication User Associations worldwide. For over 25 years, INTUG claims to have argued for introduction of competition in Telecommunications and that “all users must have access to the benefits of such competition”. It would be worthwhile to note INTUG’s position on Numbers and Number Portability

“A telephone number signifies an individual or an organisation and is therefore their property, under the custodianship of an independent National Authority. Numbers do not belong to operators. Numbers are a scarce resource and must be used appropriately, including the promotion of competition through an adequate and non-discriminatory supply of numbers and codes. Number Portability is the pre requisite of a competitive market”.

“For almost a century, telephone numbers have been well established identifiers for individuals and organisations. Number Portability is a fundamental prerequisite for competition in a Telecommunications market. Without this facility, users are locked into their existing suppliers and can change operator only

with considerable disruption and expense. INTUG strongly encourages Government and N.R.As to recognise that Mobile Number Portability is an essential part of the competitive frame work and should be made legally binding on all operators and Service Providers. INTUG believes that the Mobile telecommunications market cannot be considered competitive until users have the right to change operators and at no cost and without inconvenience. Mobile network operators and Service Providers must compete on price, quality and service offerings, rather than by trying to lock users into their network”.

*Source – (INTUG - Numbers and Numbering
An INTUG position paper.
No. INTUG 2001 / 05)*

I also have a personal position to take on Number Portability in the Indian context based on my study and research on the successive Telecom policies – National Telecom Policy of 1994, National Telecom Policy of 1999, Unified Access Services License Policy in 2003, the core enabling statutes - the Indian Telegraph Act,1885, the Indian Wireless Telegraphy Act,1933, the Telecom Regulatory Authority of India Act,1997, the license agreements entered into between the Licensor, DOT and Service Providers and other Regulations that govern or facilitate the conduct of Telecom services in the country. That is,

“The Citizens of this country are guaranteed several basic rights under PART III of the Constitution of India

and an inalienable, but implied right, also granted by the same part is the Right to a reasonable standard of living and economic opportunity. Modern notions of economic welfare are inseparable from theories of 'Competition' in certain services such as 'Telecommunications'. Modern telecommunication practices around the world have strongly emphasised on the virtues of competition in the telecommunications sector and where a 'competitive Telecom service' is assured by certain Acts and policies of the Government, it remains that the promise of such services constitute, in the light of current international norms and practices, an ordinary recognition of the economic welfare thrust of the Constitution of India. Consequently, the promise of a 'competitive Telecom service' repeatedly in all of the Telecom policies that have been effected so far and the denial of true 'competition' constitutes a violation of a fundamental right to expectation of economic welfare and benefits of competition in those areas where 'competition' is clearly, sufficiently, repeatedly and unambiguously promised. Such a 'denial' is very much present as long as consumers do not have Number Portability simply because absence of Number Portability constitutes a barrier to 'effective competition' ”.

Next follows a Point-wise response to the consultation paper

1. What is the anticipated impact of number portability on customer satisfaction and increased competition between services and operators?

Very positive. There is only bound to be an appreciable, measurable and above all, a positive impact on the level of customer satisfaction for Mobile

subscribers. And as far as increased competition is concerned, I wish to say that there will be 'true' and 'greater' competition among Service Providers. I am also confident that when internationally accepted norms for measuring competition among Telecom operators are applied to gauge the change in the level of improvements offered by Mobile Service Providers post Mobile Number Portability, the results will only prove that the entire exercise of Mobile Number Portability at recorded costs has been more than worth the measured outcome.

That Mobile Number Portability is primarily aimed at facilitating 'true competition' in the provision of Mobile Services; let us take some look at these reports and findings.

Before doing so, I think, some response, to a widely prevalent feeling among the Network operators that Mobile Number Portability is not essential to India in view of a large number of Service Providers already operating in each Metro or Circle, is readily available in this report that is widely referenced around the world:

"A dynamic, innovative, efficient and competitive Telecommunications industry is fundamental to the economic development and prosperity of any market. Telecommunications network create the links that facilitate transactions and relationships and thereby, economic activities".

“It is important to recognise that competition is neither created nor fostered simply by the process of licensing new operators but by the ability of new entrants to access end users and the extent to which the incumbent is able to constrain the development of competition. Consequently, the regulatory framework is very important in determining the effectiveness of competition as measured by the ability of new entrants to acquire subscribers and gain market share. For example, in those markets where the Regulator has not necessarily adopted a strong and focused approach to the promotion and development of competition, it is possible for the impact of competition to be relatively small regardless of the number of new entrants Licensed”.

Source – (Report on the Effectiveness of Competition in Hong Kong’s Telecommunications Market: An International Comparison, June, 2003. Prepared for the Regulator in Hong Kong).

(Research Report done by an Independent Agency. A Google search of one or more phrases above will return the document that names the Agency)

In a Press release by the FCC, the US Regulator, on Nov,24,2004, it says that within a short span of 12 months (24-Nov-2003 to 23,Nov,2004) 85 Lakh Telecom Subscribers had ported their numbers from one Service providers to another Service Providers. In the largest Telecom market in the world (valued at approximately USD 292 Billion annually against a marginally lesser figure for the European Union), this

is how porting worked. This data, though less applicable when an analysis concerns only Mobile Number Portability, I think, is significant to us in India because it tells a great deal about why Telecom subscribers don't always respond well to superior offers by a Competitive Service Provider.

2. The following technical options have been discussed in the consultation paper. Please indicate your preference with reasons:

- a. All-Call-Query
- b. Query-On-Release
- c. Onward Routing (Call Forwarding)
- d. Call-Drop-Back
- e. Any other solution

a. All-Call-Query

The All-Call-Query option appears to be more suited to India than other options. International experience and perspective in this regard is greatly instructive. While it is clear that some countries have discounted the theoretical disadvantages of other options and have even met with commendable success by adopting the other options, a few of them have resented the requirement for frequent modifications to their basic routing infrastructure; so much so that some critics have pointed out that when the future sum of all modifications are considered, the network emphasises strong elements of All-Call-Query principles. However, the Regulator, TRAI, may have to keep in mind that the entire exercise of introducing and implementing Number Portability is not very well done well by excessively looking into the future; even certain popular initiatives of the day that present a potential to become widely acceptable technologies in the future may have to be discounted or even disregarded in order to achieve workable certainty. When one examines the consultation papers that have come to be issued by Telecom Regulators around the world lately on the issue of Number Portability, one can see that they all appear very similar to each other and there seems to be a very conservative, sequential and a theoretical approach to the issue of Number Portability and this trend could not have been different at all – in the area of Number Portability, I believe that a responsible Regulator will find support from schemes that have worked

elsewhere and will resist any motivation to be experimental, daring, innovative or different from others. I believe the choice of an option has to demand that an option be simple to understand, easier to implement and must place the responsibility for completing a call on the Originating Network, that has an equal opportunity as any other Network, to identify the Recipient Network and to route the call with the same level of approximate and achievable efficiency had not the number been ported.

While it is generally felt that the system-set-up costs for an All-Call-Query option is higher than for other options, International experience tells us that over a longer term, the lower ongoing costs under the All-Call-Query option when compared with that for alternatives make the All-Call-Query option attractive even on the cost front.

Number Portability cannot be successfully achieved without also obtaining the products and services of external equipment vendors and software developers, 'Solution Providers' in short. And this community of 'Solution Providers' have developed over the years, an increasingly reliable range of products and designs for achieving Number Portability in several countries in different parts of the world. It is my estimate that a majority of such products and designs are built around the All-Call-Query option. Such 'Solutions' are in some cases claimed as 'proprietary' and many indeed are mutually competing products and designs.

In order to monitor and effectively control the infrastructure costs for implementing Mobile Number Portability in the country, I think, it would be highly impractical and inappropriate to adopt an option that is not already catered to by the expanding body of competing 'Solution Providers' – in this regard, I believe, the All-Call-Query method may be preferred to other options.

c. [Onward Routing \(Call Forwarding\)](#). For b) please see next.

The Onward routing approach is the simplest of all the options mostly because the basic ability to forward a call is already present in the Mobile Networks deployed across the country. However, this system places much responsibility on the Donor Network for catering to the very customers who have fled its Network and the costs for the Donor Network in terms of setting up and maintaining an Internal Database and ensuring that some or all of its switches share from a common, but internal database become substantial as the number of customers who port out of the Donor Network increases. And the Network management costs could also increase substantially. If we consider a model of a vastly inefficient operator and an increasingly dissatisfied customer base, the Onward routing approach will effectively render such an operator even more inefficient by forcing it to scatter a fair share of its resources on serving those that are gone for good. This approach would be suitable in an environment where an incumbent

Network operates in a strong Monopolistic setting and the customer dissatisfaction with the incumbent Network is very high and that the later entrants are unable to garner a significant market share despite offering superior plans and tariffs – of course, such a scheme may be devised by the Regulator only on an implicit understanding and motivation that a dilution in the market share of the Incumbent operator is in the best interests of the consumer. Internationally, the call forwarding option has been chosen by many countries as an interim or a short term solution. Theoretically, the costs over the long term for a continued retention of a Call forwarding solution could become prohibitive when ports out of the Donor Network increase over time. Theoretically also, the Call forwarding option best serves those markets where, when Number Portability was introduced, the estimates for the number of ports in the initial few months in that market were expected to be lower and there stood a general reluctance at the level of the Regulator to force the industry to switch to a more expensive option such as All-Call-Query or Query-on-Release. I do not think that the state of the market in India in the mobile services sector invites a strong consideration of this approach. On the whole, I believe the case for a Call forwarding option is somewhat weak.

b. Query-On-Release. For c) please see above.

The Query-On-Release option is even less attractive in view of the very limited adoption of this scheme internationally. While this scheme does not penalise

the Donor Network so much and also does not hold the Donor Network for the entire length of the call, the benefits under this system hardly reach to the level of the All-Call-Query option despite entailing significant and comparable costs as the All-Call-Query option. It is little wonder that this approach has been mostly rejected by deliberating countries and no new variation of this approach is presently in consideration by any country that is deliberating the introduction of Mobile Number Portability.

d. Call-Drop-Back

The Call Drop Back option is a poor alternative to its peers simply because it is expensive and unreliable and also does not relieve the Donor Network of much burden it is required to take under other options. This option entails major modifications to the signaling protocol amongst all Networks and is therefore, not a cheaper option. The costs under this option fall severely short of the resultant value of expected benefits when one considers that this option simply does nothing to address the risks forced on the Donor Network, one of which is to require the Donor Network to accurately identify the routing information for the Recipient Network at huge costs. This option also delays a call when the Donor Network talks back to the Originating Network and the net value of so much activity is nothing more than telling the Originating Network on where to place the call. A hybrid approach under this option might invite some consideration. But

this approach is, as it is, unsuitable for implementation in India.

3. In the past, some countries have followed the approach of implementation of a short-term solution, with parallel planning for a long-term solution. Several other countries have opted directly for a long-term solution. The issues associated with either approach are discussed in this paper. Please give your opinion, with reasons, on the path India should adopt.

While I believe that the time for introducing Mobile Number Portability is already watching us, I do not subscribe to the scheme of a short-term solution within a long term solution. It may be noted that of the countries that started with a short-term solution, many of them were simply the earliest nations in the world to implement Number Portability. I believe, the favour for a short-term solution in many such countries was found in the fact that the costs thereon were comparatively less and the costs for a long-term solution entailed huge expenses while the Regulator and the industry preferred to proceed by learning before they could implement the pre-determined long-term solution or before they could arrive at a final solution.

I favour only a direct long-term solution for India. Mobile Number Portability is no longer an innovative or a speculative Telecom strategy and therefore, any wait towards finalisation while incurring costs (though not substantial) during the short-term solution would be a waste of money and frittering away of seriousness.

I also think that, when it comes to choosing a long term Number Portability solution, the criteria set out by the FCC of the US as the 'performance criteria' that Service Provider's long term NP architecture should meet is highly instructive in this regard. The FCC had previously mandated that any long term solution must:

- support existing network services, features and capabilities
- efficiently use numbering resources
- not require end users to change their Telecommunications numbers
- not require Telecommunications carriers to rely on databases, other network facilities or services provided by other Telecommunication Service Providers in order to route calls to the proper termination point
- not result in unreasonable degradation in service quality or network reliability when implemented
- not result in a Service Provider having a proprietary interest
- have no significant adverse impact outside the areas where Number Portability is deployed.

Judged against these desirables and also when seen against the fact that there is no known short term solution that would not require a long term solution to be initiated from scratch, I prefer only a long term solution. Only a long term solution could effectively address all possible challenges that are bound to arise in the implementation of Mobile Number Portability, unless we somehow overlook the possibility of a short-term solution severely conflicting with one or more of the 'criteria' laid down above, in which case, the conflict simply works, effectively, to the detriment of the end consumer. In such a case, Number Portability ceases to work for the benefit of

the consumers and merely becomes an expensive and elaborate end in itself.

It may further be noted that due to the increasing number of Number Portability solutions, the time it now takes to effectively install and work a long term architecture is considerably reduced and claims are now commonly made by NP solutions providers that they will get the system set-up and working in a 'short time'. Here is what a leading NP solutions provider claims in its profile and offer – “We provide a secure and reliable Number Portability solution that can be implemented in under ten weeks”. Even though the Solutions Provider in question might not have explicitly said whether this pertains to a short-term or a long-term solution, it cannot be denied that competitive pulls and pressures amongst such 'Solutions' Providers leaves us with room to expect more than we otherwise would. (A Google search of the entire phrase will return the name of that Company). As such, incentives to first adopt a short term solution are now even less valid.

4. In case of a centralised database approach, who should be responsible for the setup, ownership, administration, and management of such a database? Should the administration and operation of a centralised database be assigned to a third party duly licensed by the licensor as an other service provider

(OSP) on the lines of a clearing-house, or should some other approach be adopted?

A centralised database approach, it is generally agreed, is a fair and efficient option provided it is administered by an Independent person or agent. As to who should be responsible for the setup, ownership, administration and management of such a database is a question that is for the Regulator to primarily decide. I would like to add here that the person or institution that would be chosen for such a task should necessarily possess prior experience and involvement in implementing Number Portability in other countries, the outcome in which is both inspiring for us here at home and is also duplicatable here. As far as 'ownership' of such a database is concerned, I do not think it would be appropriate to cast that independent person or agent as an 'owner' of that database. Some of the lesser varieties of possession such as 'custodian', 'holder' or other such description may best characterise the position of the independent person or agent. I prefer the word 'Administrator' and this word will run for the rest of this paper. It is clear that the services of such an Administrator will be covered by the licence requirement for an OSP (Other Service Provider) and such an 'Administrator' is bound to be registered with the Licensing Authority, the DOT. However, the power vesting with the Licensing Authority over the affairs of an OSP are not always or even equally shared with the Regulator, TRAI. In view of this aspect, it is essential that the

'Administrator' is separately appointed by TRAI under a separate agreement so that the obligations that are thrust on the 'Administrator' are sourced largely from the 'Agreement' entered into between the TRAI and the 'Administrator'. The TRAI is empowered, under the provisions of its founding statute, the Telecom Regulatory Authority of India Act, 1997 to enter into an agreement with a private person in such a manner and to assume powers to punish such a person for violation of the terms of the agreement. Conversely, one could also say that nothing in the TRAI Act, 1997 prevents the TRAI from entering into such an arrangement. When it all happens as such, the operations of an 'Administrator' would be governed by two set of provisions – one under the grant of an OSP status by the Licensor, DOT and another under a modifiable 'Agreement' entered into with the Regulator, TRAI, where neither of the two set of provisions conflict with each other.

5. How should the database updates between different operators be synchronised? Where could the central database be located?

And

6. What should be the level of centralisation (metro, circle, national) for a centralised database? Should this be a permanent arrangement, or be subject to later revision?

The porting transactions are to occur only in accordance with approved procedures and in terms of progression along a regulated sequence. It is also crucial that the central database always make available, historical information on porting activity on request. Considering that the basic premise for the MNP is that a MSISDN can be active only in one of many networks in a given point of time, it is important that the database update is centered around activity on the MSISDN activation and deactivation.

Also, the Central Database should be so designed that it should provide on request, real-time information concerning individual Network on several parameters like number of transactions, errors, downtime and the like.

The responsibility for communicating with the Central Database for the purpose of updating the database will vest with, for a given port, both the Donor Network and the Recipient Network. The protocols for such a communication will have to be devised by the Regulator itself or be entrusted to the Administrator to be arrived at on a consultation and consensus amongst all participating networks to the MNP.

The location of a central database may be a city that is well served by Telecom infrastructure. Considering that there is intense competition between several cities in the country on this aspect, several other parameters like vulnerability to natural disasters, vulnerability to terrorist strikes, history of terrorist strikes and other factors may be considered in order to arrive at a suitable location.

A centralised database option appears to be a clear winner here. This is because a single source for obtaining routing information for a requested number is a far more efficient model than the existence of multiple or scattered points of query, both from a Network operator perspective and from a Regulator perspective. Internationally, most of the countries that have implemented Number Portability have adopted a national approach than a sub-national or segmented approach. It is unlikely that a national level of centralisation once adopted will necessitate a sub-national level of centralisation at a later stage. However, the power to force any change in this approach should vest solely with the Regulator, TRAI, and may at best be partially shared by the Administrator or the Network operators and also, any such power reserved to the Administrator or to the Network operator should be limited and not exceed the powers reserved for the Regulator in this respect.

7. How should NLDOs and ILDOs handle the routing of calls to support number portability?

I think the answer to this question could be simple if we rule out location based Number Portability which indeed is the case as far as this consultation paper is concerned. That is, if the Mobile Number Portability

scheme applies only when a Donor Network and a Recipient Network are competing networks, i.e., they are licensed by DOT to operate within the same Metro or a circle.

I fully support the contention of the Regulator, TRAI that it is neither desirable nor useful to mandate Number Portability amongst non-competing networks, i.e., when a Donor Network and a Recipient Network belong to different Metros or Circles. The MNP mandate would be far-reaching if it were to encompass Donor and Recipient networks from non-competing circles. Besides, such an arrangement could also create needless complexities and a very questionable utility at best.

So much said, the method by which NLDOs and ILDOs should route call for ported numbers is fairly simple and I do not foresee any complications in this regard. The responsibility for obtaining porting information on the part of a NLDO or an ILDO will attach based on their proximity whether to an Originating Network or to a Terminating Network. A fiction may then be created by the Regulator to cast the responsibility on the NLDO or the ILDO by prescribing the transmit position number for a Network (in its role as a NLDO or ILDO) that will assume responsibility for obtaining routing number. Some models such as the 'N-1' approach that might be visited by 'proprietary' claims are good examples of this approach.

8. Are the existing interconnection arrangements (such as signaling) between mobile-to-mobile, mobile-to-fixed networks sufficient to achieve number portability, or are any changes required?

Considering that the implementation of Mobile Number Portability will necessitate certain

modifications to the signaling network infrastructure across the country unless the solution adopted is Call forwarding/Onward routing (in which case, fresh interconnection arrangements will fit into the existing pricing framework), it is foreseeable that changes to the existing interconnection arrangements will become necessary. To what extent will changes be required is answered only after a complete picture emerges on what will be the finalised and agreed upon network structure. Additional complexities in this exercise will arise when one Service Provider arranges to share from the infrastructure put in place by a larger Service Provider.

9. Are there any technical issues in the portability of services such as SMS, data, voicemail, or fax?

Some technical issues do arise in relation to portability of services such as SMS, data, voicemail or fax, but they are hardly significant in the Indian Mobile Telephony context. An expensive but an enduring

option exists of deploying 'Next Generation Networks' that promise to achieve voice Number Portability in a breeze and also extend Number Portability in respect of value added services extending even beyond the narrow range of services stated above, with less difficulty and expense. Whether 'Next Generation Networks' should become attractive under present circumstances, requirements and challenges, is a question, the final answer to which is best offered by the Regulator itself.

10. What problems do you foresee with the current National Numbering Plan in implementing number portability that may necessitate the modification of the existing National Numbering Plan?

An alteration is obviously required in the structure of the existing National Numbering Plan simply on the

recognition that after porting, some numbers originally assigned to an operator would have moved to another. Besides this alteration, I see no problem as long as the scope of MNP is narrowed down by discounting future Numbering challenges which in any case would not strictly govern present MNP introduction and implementation.

11. Should number portability related charges be regulated? If not, then what measures will ensure that the portability charges are not set such as to discourage portability?

AND

13. Considering that the Indian market is a growing market and number portability offers the possibility of attracting customers by an efficient operator, should it be mandated that the cost of the number portability should be absorbed by recipient network?

The Consultation paper itself does a tremendously admirable job of touching upon the internationally accepted principles of Cost determination and cost allocation. The Consultation paper also discusses some widely accepted norms of cost recovery by Network operators.

One thing would be certain that the industry wide costs of implementing Mobile Number Portability in India will be far greater than what could be easily absorbed by the participating Network operators. Considering that India has the lowest ARPU or one of the lowest ARPU in the world and that the desired future 'telecom penetration' is seen as a strong function of a low ARPU, the Regulator will find it impossible to force the Service Providers to contain costs among themselves. And this recognition alone is largely cited as the strongest case against introducing Mobile Number Portability in the country. However, the argument that introducing Number Portability burdens consumers with unreasonable costs has always existed and even poorer countries like Kenya are beginning to recognise enough fallacy in all of it to pass over the same. I would like to say that the Regulator should work to regulate the

Portability charges and there are no hard and fast rules on how best to cap costs for a consumer. However, certain founding principles in this area may be relevant to the Regulator for the purpose.

I would like to briefly discuss here, a historical position taken by the Monopolies and Mergers Commission (now called the Competition Commission) of the UK. The Monopolies and Mergers Commission in the United Kingdom was a legal body that worked to check anti-competitive practices in designated sectors of that country and had recommended certain cost sharing principles and the same were incorporated by OFTEL(now OFCOM or Office Of Communications), the Telecom Regulator in the UK, in its Number Portability directive. In simple language, the principles were

- charges for Portability should be cost based
- system setup costs shall not be imposed on the customer
- the costs most directly applicable to those incurred with respect to setting up Portability for each number of block of numbers should be borne by the Service Provider to whom the number is being ported rather than the Service Provider that is porting the number (*comment: the proper ascertaining of this cost is now next to impossible in view of large scale handling of this work by advanced software and tools*)
- the donor Service Provider shall make no specific charge based on additional conveyance costs

(Additional conveyance costs are the costs of conveyance of each call to a ported number, additional to the costs of conveyance of non-ported calls. The donor operator may not charge the recipient Service Provider of a specific 'Portability' charge for such additional conveyance. The cost of additional conveyance should be subsumed into the donor operator's general network costs, spreading the cost over all calls on the network)

-average porting conveyance costs can be recovered, where appropriate

We may also see how some Regulators have regulated these costs (some of these observations may not necessarily apply to Mobile Number Portability only but apply to FNP only or to both):

The Costs of Providing Number Portability are allowed by the FCC, the United States Regulator, to be passed on to the consumers – that is, even to those consumers that may not actually seek Number Portability. The FCC of the United States specifies that the costs of implementing and providing Number Portability may be (but not required to) recovered by charging a small monthly fee to the subscribers subject to a maximum recovery period of Five years. In this context, it may further be noted that different Service Providers in that country have, expectedly, charged varying sums and competitive practices and pressures have resulted in the Service Providers continuously lowering such charges and in recent

months, some Service Providers that previously intended to impose such charges over a long term have indicating that they may altogether stop imposing the costs on their customers.

IDA, the Regulator in Singapore, previously permitted imposition of pre-determined and fixed costs (both done by itself) on subscribers as charges towards Number Porting. The IDA or the Infocomm Development Authority of Singapore was the FIRST Regulator in the world to introduce Mobile Number Portability and after allowing porting costs for some time, last mandated that starting October, 2003 porting charges be not charged to customers. In a press release, the justification was stated as “the new Mobile Number Portability requirements will give consumers more freedom and flexibility to choose the Mobile phone service and products that best serve their needs. It will remove what could be a hindrance to consumers switching operators and therefore generate further competition in the Mobile market to benefit all consumers”. The release further said “While there will no longer be monthly recurrent charges for MNP, mobile operators are allowed to charge a reasonable one-time administrative fee to recover processing costs for MNP applications”.

The ART, the French Regulator, had allowed costs to be allocated to the Consumers to the extent determined by the Service Providers themselves up to

a certain date – beyond that date, ART took the responsibility to regulate the same.

12. What measures will ensure tariff transparency?

Number Portability invariably affects whatever level of tariff transparency that existed prior to implementation of Number Portability. If introduction of Mobile Number Portability in the country would result in a customer losing some certainty over whether the

called number that originally belonged to the same network as the caller, might have been ported to a competing network, such concerns are not very difficult to address. The decision of TRAI to not introduce MNP between Networks from different Metros or Circles might also be appreciated from this perspective – an apprehension, that a called number that originally resided in the same circle as the caller, might now reside elsewhere, is not an outcome that is either desirable or even manageable without undesirable consequences under current circumstances.

Considering that the Telecom penetration in the country is likely to only grow in the coming years, it is absolutely essential for the Regulator, TRAI, to achieve transparency by some or several means. The specific form such measures will take is best determined by TRAI itself. The idea proposed by TRAI has been successfully implemented in some countries. Another proposal mooted by the ILR, Regulator in Luxembourg, may also be considered – of setting up a directory on the internet of ported numbers only, listed against each circle, Donor Network and Recipient Network.

14. Please share any additional information that you might have about number portability implementations in countries and jurisdictions around the world, and what we might learn from these experiences.

Here is information I have gathered about the status of Number Portability implementation in some countries. This list is neither exhaustive nor is it

intended as such. This list makes no differentiation between Fixed and Mobile Number Portability.

Country	Status
Argentina	Actively Studying
Australia	Implemented
Austria	Implemented
Bahrain	Working
Belgium	Implemented
Brazil	Working
Canada	Implementation in Progress
Chile	Working
Croatia	Consultations to begin in 2006
Czech Republic	Implementation Next Year
Columbia	Working, Regulation Due
Denmark	Implemented
Estonia	Implemented
Finland	Implemented
France	Implemented
Germany	Implemented
Greece	Implemented
Hong Kong	Implemented
Hungary	Working
Iceland	Working
Ireland	Implemented
Israel	Implementation Next Year
Italy	Implemented
Japan	Working, Regulation Due
Jordan	Working

Kenya	Implementation Due
Latvia	Implementation Due
Lithuania	Working
Malaysia	Working
Malta	Working
Mexico	Working
Netherlands	Implemented
New Zealand	Implementation before Apr,2007
Norway	Implemented
Pakistan	Working, Implementation to start early,2006
Panama	Working
Peru	Working
Poland	Implementation Due
Portugal	Working
Romania	Working
Russia	Working
Saudi Arabia	Working
Slovakia	Working
Slovenia	Working
Spain	Implemented
Sweden	Implemented
Switzerland	Implemented
South Africa	Working
South Korea	Implemented
Slovenia	Working
Singapore	Implemented
Taiwan	Will be Implemented this year.

Thailand	Government Assigns NP as a Priority to the Regulator, NTC. Expected in 2006.
Turkey	Working
United Kingdom	Implemented
United States	Implemented

15. Give your comments, with reasons, as to when number portability should be introduced in India?

Number Portability should not be delayed any further. Mobile Number Portability should happen now and may soon be followed by Fixed Number Portability. I do not think India should wait any further at all. A few critics have even pointed out that we may not make

up our mind at all until Bangladesh, Nepal and Sri Lanka joins the Number Portability club. We have had Mobile Services in the country for more than a decade and we cannot truly postpone the introduction of Number Portability any further. I wish that TRAI, who has often demonstrated its superior knowledge and awareness of the Telecom developments around the world, never had to be told about a right time to introduce Number Portability. While this exercise is admittedly a formality, I would like to remind here that for all the progressive stances TRAI has taken on a diverse range of telecom issues in the recent past, the fact that Number Portability has not been adopted as yet in India might appear to many as a mystery and is not in line with the forward looking position of the TRAI.

I would like to add here that Regulators around the world felt the need to proceed with Number Portability despite stiff opposition from Service Providers. I do not know of any country where Service Providers welcomed the introduction of Number Portability until it was thrust on them. I therefore am of the opinion that the resistance that a Regulator faces from some or several Service Providers merely to the introduction of Number Portability (that is, opposed to the very idea of Number Portability and not as an opposition to the modalities of implementing NP) is best evaluated in much the same way it has been dealt with elsewhere – take note, but Proceed.

It would be pertinent to note here the extent to which the Regulator in Ireland, The Commission for Communications Regulation, was forced to go in order to address the continuous delays arising from the reluctance of the Service Providers to meet numerous deadlines for implementing Number Portability. One fine day, that Regulator found it necessary to discount several objections mounted by the Service Providers and resolved that:

“Noting a loss in confidence that the Mobile operators can deliver MNP product at any given industry date, the Commission will now mandate the introduction of MNP in order to advance the issue as effectively as possible. This direction is consistent with the objectives of the Commission in exercising its functions in relation to the provision of electronic communications, networks and services”.

The attention of the Regulator, TRAI, is further invited towards the response of the FCC, the US Regulator, to a petition filed by CTIA (Cellular Telecommunications and Internet Association), in which it highlights its basis for mandating Number Portability:

“... the ability of end users to retain their telephone numbers when changing Service Providers gives customers flexibility on the quality, price and variety of telecommunications services they can choose to purchase. The Commission found that Number

Portability promotes competition between telecommunications Service Providers by, among other things, allowing customers to respond to price and service changes without changing their telephone numbersThe focus of the porting rules is on promoting competition, rather than protecting individual competitors...”

(CTIA sought declaratory ruling - in CC Docket No.95-116, released on Nov.10, 2003)

Another determination by a U.S. Court of Appeals may also be instructive in regard to evaluating how long a consumer oriented policy such as Number Portability could be delayed when Service Providers present several objections, some of which may even be considered significant:

“...as these trends continue, and as wireless subscribers increase the frequency with which they give out their Mobile telephone numbers, we anticipate that an increasing number of consumers will be reluctant to change wireless Service Providers unless they can keep the same numbers”

“...subscribers will find themselves forced to stay with carriers with whom they may be dissatisfied because the cost of giving up their phone number in order to move to another carrier is too high”.

“It is unlikely for the entire industry to agree to move to wireless Number Portability voluntarily. In addition, there may be economic disincentives for any

individual carrier to be the first to voluntarily adopt full Number Portability, which would provide its subscribers, the flexibility to switch to a different carrier while retaining their current phone numbers. This is because, absent the implementation of full (Number Portability) by other wireless carriers, that carrier could not gain any new wireless customers from the non-participating wireless carriers. As a result, to ensure that Consumers have the ability to switch carriers while retaining their phone numbers, we must require wireless carriers to implement Number Portability”

Source – Case No.02-1264

Cellular Telecommunications And Internet Association And Cellco Partnership, Verizon Wireless (Petitioners) Vs. Federal Communications Commission, United States of America (Respondents), for review of an order of the FCC.

The case was decided on June, 6, 2003

Another extraordinary event that took place in the UK in the early days of Number Portability and which continues to support Regulators around the world even to this date may be noted:

Sometime in 1993, when the introduction of Number Portability resulted in a certain numbers of disagreements between the Regulator, the Licensor and some Service Providers, the source of the

dispute was referred by the Licensor, the Director General Telecommunications, to the Monopolies and Mergers commission (MMC) in these terms: “does the absence of Portability operate against the public interest?”

The reply of the MMC was: “the existing situation does not feature Number Portability and therefore, operates against the public interest”.

The reasons for the MMC’s public interest finding were: “The absence of Portability constitutes one of the most important obstacles to the growth of competition and its introduction is necessary to promote effective competition between operators, which will benefit customers and promote efficiency”.

The MMC therefore noted that Number Portability needed to be introduced more rapidly and effectively. And stated that the justification for the introduction of Number Portability supported the view that the costs of introducing Number Portability need not be recovered from the public, to the fullest extent.

Source – Inquiry by the Monopolies and Mergers commission into Telephone Number Portability: Explanatory Statement from the Director General of Telecommunications.

Here is another position of the Regulator in the UK that some may consider extreme. But the truth of the matter is that this one worked and continues to embolden Regulators around the world even today:

A directive was issued by OFTEL, the UK Regulator in Jan, 2000. This directive required in the initial stages, Service Providers that complained that Number Portability imposed unreasonable costs on their operation, to offer Number Portability only in respect of new customers – the Regulator specified that the Law did not mandate that Service Providers always seek new customers and that in the Regulator’s view, any Service Provider that sought new customers was required to provide Number Portability. And that a Service Provider could refuse to take on a new customer for these reasons. And for these reasons, Service Providers could be forbidden to take any new customers until they prepared to offer Number Portability in respect of such new customers.
Source-Numbering Directive: Number Portability Requirements - A Statement issued by OFTEL, Jan, 2000

16. Should MNP be implemented progressively by service area or directly across the nation at one time?

AND

17. What will be the effect, if any, on the different aspects of implementation if phased roll-out is adopted?

MNP, in my opinion, is best implemented directly across the nation at once. The future is bound to bring several challenges to the implementation of Number

Portability and as things stand, if a phased approach is preferred and challenges expected as occur, it is very likely that the seriousness for implementing MNP on time could greatly get lost and indeed suffer a battle blow.

We only need to examine the sociological-political-media landscape in India, our country, before we will discover that the only safe route to MNP lies in a one time direct implementation across the country. We cannot deny that the people across the country have come to suspect most public announcements because rarely do they see anything happen to fruition within the time promised.

Also, in the event of a phased implementation, there are far too many wild beasts to wrangle with and a potential scenario for disruption might be envisaged from sections of the media. Observers of media in India of late complain that the media has become very vulnerable to 'wild' competition and if one media would travel around the country to highlight whatever is wrong with the implementation of MNP, every other media too would join the bandwagon to showcase everything that has or can go wrong with Number Portability. An event of this kind will invariably turn political and unforeseen consequences could lie against MNP implementation. I am sure that many people will agree that when a one time national MNP implementation is undertaken, the MNP process

would greatly be protected against possible 'wild' media reporting.

I am optimistic, however, that MNP will come to pass and also optimistic that the Regulator will display resolve and commitment to implement MNP at the earliest.

Thank You

DHANANJAY.K.V.
Advocate
Bangalore and New Delhi

Email : dhananjaylegal@yahoo.com

Ph: 09343716653.
