



RSM/COAI/2017/099

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Subject: COAI submission on TRAI Consultation Paper on "Network Testing before Commercial Launch of Services"

Dear Sir,

This is with reference to the Consultation Paper on "Network Testing before Commercial Launch of Services" issued by TRAI on May 01, 2017.

In this regard, please find enclosed our response on the consultation paper.

Kindly note that one of our members, RJio has a divergent view in this matter and they will represent individually on this subject.

We hope that our submissions will merit your kind consideration and support.

Thanking You,

Yours faithfully,

Rajan S. Mathews
Director General
COAI



**Response to
TRAI Consultation Paper
on
Network Testing before Commercial Launch of Services
Released on May 01, 2017**

Preamble:

Our key submissions on the Issues highlighted in the Consultation Paper are as below:

1. **Financial Position of Telecom Sector:** The Telecom Industry that has invested over **INR 9.2 lakh crores** in setting up world class mobile networks over the last 20 years is going through one its most disruptive phases. The sector is reeling under a heavy debt burden of **INR 4.6 Lakh Cr.** The Industry for the first time ever, has seen a revenue drop for the full financial year. The AGR of the Industry decreased to **INR 1,404bn** for the FY17 with YoY decline of **4.9%**, while the AGR for the Q4FY17 decreased to **INR 297bn** with YoY decline of **21.7%**.¹ The Indian telecom sector is in dire financial straits with a 1% return on investments and many operators even making negative returns on their investments. Under such extreme circumstances, we do not foresee any new player entering the Telecom market, infact we believe that the present market condition will result in the consolidation. Thus raising these issues from a future perspective may not be very relevant at this stage.
2. We also believe that the background to the reference from DoT was for TRAI to examine whether a recent new entrant could have enrolled subscribers in the test period. We note that this issue was raised by TRAI to DoT in June 2016 and upon DoT asking it to examine the issue; the TRAI sought a formal reference from DoT. Apart from delaying the entire examination of the issue, we note that the context has now been changed to laying down future guidelines instead of examining past compliance. Also, it has been almost 9 months since DoT had sent its reference to TRAI for its Recommendations on these issues relating to network testing before the commercial launch of the services. Further considering the disruptions that have already taken place in the Industry in last couple of Quarters, the TRAI has taken too long to initiate this paper and that too, at variance with the original requirement of DoT.

¹ ICICI Securities Report dated June 8, 2017

3. We submit that there is no grey area or ambiguity pertaining to the testing that requires clarity by way of the present consultation. Simply put, enrollment of subscribers is not permitted under license and the lakhs of subscribers enrolled recently by new entrant was a blatant violation of license conditions. The TRAI raised this query to the DoT when around 5 lakh subscribers had been enrolled but instead of examining the issue suo motu it sought a formal reference from DoT to examine the issue thereby allowing the so called test subscriber base to swell to over 62 lakhs. Thereafter these so-called test subscribers were allowed to be 'migrated' thereby aggravating and perpetuating the illegalities.
4. **Testing Activities as per the license are on installations, equipment, applicable systems and interfaces:** We would like to highlight that following activities, as per the license conditions are required to be completed before the commercial launch and Roll-out of the services (before Roll-out certificate is provided to the operator) :

***“Provision of Service:** The Licensee shall be responsible for, and is authorized to own, install, test and commission all the **Applicable systems** for providing the Service authorized under this License agreement. The Licensee shall intimate to the Licensor well in advance before the proposed date of commencement of any service in any Service Area containing the details of network and required facilities for monitoring of the service installed by the Licensee. Any service, permitted under the scope of this License Agreement, shall be commenced by the Licensee only after prior approval of the Licensor. The approval shall normally be granted within 90 days from the date of receipt of such intimation provided that the Applicable System/Service is broadly compliant to the scope of the License and requisite monitoring facilities are successfully demonstrated by the Licensee.” (Clause 7)*

“The Licensor or TRAI may carry out performance tests on Licensee’s network and also evaluate Quality of Service parameters prior to grant of permission for commercial launch of the service, after successful completion of interconnection tests and/ or at any time during the currency of the LICENSE to ascertain that the network meets the specified standards on Quality Of Service (QoS). The LICENSEE shall provide ingress and other support including instruments, equipment etc., for such tests.” (Clause 29.4)

“The Licensee’s network shall be compliant to the Regulations/Directions/instructions issued by TRAI/Licensor in respect of Mobile Number Portability (MNP) before commencement of mobile services.” (Clause 4 under Chapter VIII)

It is evident from the above that the testing is confined only to the networks and does not cover /permit test subscribers.

5. **Enrollment of subscribers in the testing phase is not allowed:** The definition of subscriber under license does not cover a ‘test’ subscriber.

*“**SUBSCRIBER** means any person or legal entity, which subscribes to / avails of the service from the Licensee. In this License, the words ‘Customer’ and ‘Subscriber’ have been used interchangeably.”*

*“**SERVICE** means collection, carriage, transmission and delivery of messages over Licensee’s network in Service Area as per authorization under this License”.*

As per the license condition the licensee shall commence the Service on commercial basis only post subscriber registration.

We would like to submit that apart from the license conditions evidencing that the enrollment of the subscriber at the time of testing is not allowed, this is further substantiated by the DoT letter dated 2005 there are only test cards which are given free of cost to Business Partners, and roaming operators to check the Quality of Service from time to time and hence there is no concept of “subscriber” in the testing phase.

Also, as you may be aware that in the order of the Hon’ble Competition Commission of India (CCI) dated April 21, 2017 in **Reliance Jio Infocomm Limited v. COAI & Ors., and other connected matters**, this issue of Test Users has been dealt with in the Dissent Note. The extracts from the same are reproduced below:

*Para 20 “---Although the matter of providing the extent and quantum of POIs is appropriately within the domain of Telecom Commission/ DoT and TRAI for which letter dated 08.08.2016 and follow up letters have been written by the COAI, unfortunately, the said letters have remained unattended. **Nonetheless, in our view, given the scheme of various licenses given to the TSPs, it is evident that a TSP is not entitled to create a subscriber base during its testing phase. Further, only a reasonable number of test cards can be issued during the test phase.**”*

Further, non-revenue earning cards /subscribers as per DoT are limited to such test cards, employees of the operator, stock-in-hand, etc. and not the general public as that defeats the very licensing framework of DoT that has license fee and spectrum usage charges applied on revenue share basis.

6. **Quality of Service:** The reference to QOS provisions under license is not referable to test subscribers and therefore have been wrongly used by TRAI to defend the test service.

***Quality of Service:** The LICENSEE shall ensure the Quality of Service (QoS) as may be prescribed by the Licensor or TRAI. The LICENSEE shall operate and maintain the licensed Network conforming to Quality of Service standards subject to such other*

directions as Licensor / TRAI may give from time to time. The LICENSEE shall adhere to such QoS standard and provide timely information as required therein. Failure on part of LICENSEE to adhere to the Quality of Service stipulations by TRAI/Licensor is liable to be treated as breach of terms and conditions of License. (Clause 29.1)

Even TRAI under its QOS regulations states that these are applicable to subscribers who are defined as having subscribed to the services of the licensee. We also note that the new entrant reported NIL subscribers till it launched services. It cannot be TRAI's case that test subscribers are permitted but they do not need to be reported but need to be guaranteed QOS.

7. **Enrollment of subscribers during testing Phase has regulatory implications:** We would like to submit that full-fledged services during test phase has Regulatory implications and is against the principle of level playing field. Moreover, on boarding subscribers on a so called 'test network' may expose them to risks pertaining to inferior QoS, Security and Loss of privacy etc. Thus, we are of the view that there should not be any enrollment of the subscriber in the testing Phase in future also.
8. **Extent of Testing:** For the testing purposes especially for load testing situations, various simulation tools are available and there is no need to do testing on the live subscribers/users. Testing should be restricted within own network of the concerned Licensee /TSP. In case of any load /stress testing the same can be done by using mechanism such as loop back testing on own network instead of terminating test traffic on other TSPs. However, in case necessary, testing with the other networks i.e. other TSPs, the same should be carried out using the test SIMs given to business partners and roaming operators only.
9. **Number of Test SIMs:** There is already a precedent of earlier instances of exhaustive testing during the PAN-India launch of intra circle MNP. The scenario testing was accomplished using only around 69 SIMs per operator per Circle and that too for a period of 10 days only. The same was performed successfully by all the operator's testing personnel's using Test SIMs. In view of this, we believe that for any kind of network Testing about 60 – 100 SIMs are sufficient.
10. **Duration of Testing Phase:** As mentioned above, it is clear, that the TSP is not allowed to enroll subscribers during testing phase, which would imply that the TSP has to start offering services on commercial basis in case they want to enroll the subscriber. Keeping in view of such restriction, there should be defined timeline for the testing phase till it is not acquiring the subscribers. Thus, in any event there is no case for continuation of testing, post TSP starts enrolling subscribers.

11. **Number of E1s to be provided in Testing Phase:** We maintain that only 1 or 2 E1s have been and should continue to be sufficient to conduct the testing with other TSPs. This will avoid the volume of voice traffic being generated from the test users from choking the point of Interconnect and impairing the QoS of the other TSP. The purpose of provisioning of test E1s between operators is to check issues such as exchange compatibilities, call/signaling flow etc. which may in fact, be accomplished even with a single E1.
12. **MNP service in Testing Phase:** Since there is no enrollment of the subscriber in testing phase and the testing SIM and numbers will be of temporary nature, there cannot be any requirement or contemplation for MNP in testing Phase.

Kindly note that one of our members, RJio has a divergent view in this matter and they will represent individually on this subject.

[Query – wise Comments](#)

Our above submissions should be read as part and parcel of our response below.

- Q1. Should a TSP be allowed to enrol subscribers as test users and in such case, should there be any restrictions on the number of test SIM cards and the period of such use? Please justify your response.**

COAI Comments:

1. At the outset, we would like to submit that is not and **should not be any enrollment of the subscriber in the testing Phase.** It is clearly evident from license, TRAI regulations and DoT's own letters that operators are not allowed to enroll subscribers at the time of testing.
2. In case the subscriber is enrolled in the testing phase as has happened in the recent past, then the same will result in providing the full-fledged services, masquerading as tests, which bypass Regulations and game policy features like the IUC, pricing, fair competition and other Regulatory aspects.
3. Enrolling test users allows a TSP to disguise a full-fledged commercial launch with certain licensing and regulatory non-compliant features, under the guise of load testing of the network, and thereby evade various compliances and scrutiny.

Q2. To clearly differentiate test phase from commercial launch, which of the options discussed in Para 1.12 would be appropriate? Please provide justification. Please explain any other method that, you feel, would be more appropriate.

COAI Comments:

1. As highlighted in the preamble we are of the view that the testing should continue to be restricted to testing of installations and systems whether within own network of the concerned Licensee /TSP or with other TSPs. The load testing can be done through well define simulation tools. For interconnecting links, the functionality is fully tested using the functional links, and load tested by looping on-net traffic back through the interconnecting links, without dumping it on the network of other operators.
2. The DoT 2005 Circular clearly provides that test cards [not subscribers] are permitted for business partners and roaming operators only. Even SIMs given to employees does not come under the definition of test cards.

Q3. Do you agree that the provisions discussed in Para 1.13 viz information to the subscribers about test SIM being temporary etc., should be put in place for the TSP testing its network involving test users/subscribers? Please suggest other provisions which should be mandated during test phase?

COAI Comments:

1. As highlighted in preamble, we would like to submit that subscribers are not allowed to be enrolled in the testing phase and this impermissibility should continue. Hence there is no requirement for any such information to be given to subscribers.
2. The requirement, functionality and limited duration of the Test cards given to Business partners and roaming operators is a well understood industry practice which is also being regularly reported to the DoT.

Q4. Is there a need to have a defined timeline for testing phase i.e. period beyond which a TSP should start offering commercial services? If yes, what should be the timeline? Please justify your response.

1. As highlighted in the preamble, we would like to submit that timelines for testing should be defined.

Q5. In case enrolling of subscribers as test users before commercial launch is allowed, whether subscriber related conditions and regulatory reporting requirements laid down in the license, be imposed for the test subscribers enrolled before commercial launch? Please provide justification to your response.

1. We are of the view that subscriber cannot and should not be enrolled at the time of testing.

Q6. Should test users/subscribers of such licensees be given the facility of MNP? Please justify your answer.

COAI Comments:

1. Test Users are not permitted and certainly there cannot be any consideration of allowing the facility of MNP. It is again submitted that the DoT permits test cards, not test subscribers – MNP is for subscribers, not for SIMs/test SIMs.

Q7. If there are any other issues/suggestions relevant to the subject, stakeholders may submit the same, with proper explanation and justification?

COAI Comments:

1. All the relevant issues have also been highlighted by us in the preamble for the Authority's consideration.

Kindly note that one of our members, RJio has a divergent view in this matter and they will represent individually on this subject.
