



MNP INTERCONNECTION TELECOM SOLUTIONS INDIA PVT. LTD. (MITS)

Response to

Consultation Paper No. 16/2024 dated October 22, 2024

on

The Terms and Conditions of Network Authorisations to be Granted Under the
Telecommunications Act, 2023

BACKGROUND

MNP Interconnection Telecom Solutions India Pvt. Ltd., hereinafter referred to as “MITS”, was granted a license to provide MNP services in Zone 2 (South and East of India) in March, 2009. MITS has provided flawless service in Zone 2 (South and East region) to the industry in the last ~13 years of service. Further, MITS has supported both the Regulator, Telecom Regulatory Authority of India (“TRAI”), and the Licensor, the Department of Telecommunications (“DOT”), at various stages including implementation of Corporate porting, National porting and all the regulation / MNP process amendments from time to time. We have always followed and advocated use of international best practices based on immense experience and expertise of MITS’s & it’s parent, iconectiv LLC.

We thank TRAI for formulating a comprehensive Consultation Paper on the ‘The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023’. Undoubtedly, this is of paramount importance for the all the stakeholders. We would like to share our opinion on issues related to MNP services from the said consultation paper.

Issues for Consultation & Response from MITS

Q32. For Mobile Number Portability Service authorisation under Section 3(1)(b) of the Telecommunications Act, 2023, whether there is a need to review/ modify:

(a) Definition of GR, AGR, ApGR

(b) Rate of authorisation fee

(c) Format of Statement of Revenue Share and License Fee

(d) Norms for the preparation of annual financial statements

(e) Requirement of Affidavit Please provide your response with detailed justification.

Please provide a detailed response with justifications

MITS Response: There is no change suggested to the above definitions, format or affidavit requirements. MITS however want to highlight the below points on which we request for incorporation of necessary and appropriate authorisation for the benefit of MNP business and services:

- 1 All Licensed Service Providers whether seeking MNP services i.e. Porting operator or just Broadcast operators, both should be included under the purview of MNP services.

- 2 Scope of the MNP license should be expanded to include other centralized services under the public private partnership model with a mutually accepted business model.
- 3 Hardware refresh should be at the discretion of MNPSP's and not mandatory after every 5 years. Maintaining MNP Clearing House SLAs should be the ultimate responsibility of MNPSP's.
- 4 Need clear data/ log retention guidelines for the specific logs and data in terms of period of storage of such data / logs in the MNP database. Currently the license is ambiguous on this point.
- 5 Any software changes (including system integration / interconnection) proposed by any Government department or security agencies should be approved by DoT in writing to maintain security of the database and avoid any unauthorized access.
- 6 Addition of clause 15.3 is proposed in the existing license "In the event of Non-payment of Dues by Operators to MNPSP for more than 1 month, MNPSP should be allowed to stop Port-In of such defaulting operators and continue to allow port out and broadcasts until the dues are settled".
- 7 Acceptance testing fee for any new service under MNP license should be waived off.

Q37. Whether there are any other issues/ suggestions relevant to the fees and charges? The same may be submitted with proper explanation and justification.

MITS Response:

MITS's position is that the current MNP Tariff calculation methodology should continue with some changes to account for the current ground practical realities based on MITS' 13 years of operations. The proposed changes are:

1. MITS firmly believes that it must be paid for all the services (includes additional responsibilities like UPC generation & validation applicable on implementation of seventh amendment regulation) it is rendering to its customers who benefits because of the MNP service. This principle is based on the work done concept on which the tariff was determined in 2009.
2. Factor in all costs incurred by MNPSPs and not disallow costs that are being incurred as part of regular business practice. Genuine business cost for which evidence is on record should not be disallowed
3. Increase return on capital employed from 15% to 35%, keeping in mind the tax rates, inflation and currency fluctuations. Tariff calculation assumes Cost plus model where there are unknown factors that may lead to legal costs on account of tax and other litigations that are common for corporates so there should be ample scope to cover such eventualities as well. We recommend that a 35% return on capital employed

should be allowed. The Cost plus 15% method is flawed because any incremental cost will put the entire business in jeopardy.

4. Consider average of both MNPSPs' (operations & business) costs instead of lower of two because both the MNPSPs under different environment and average of two would be best and appropriate method to adopt in deciding the optimal tariff.

The MNP tariff should be determined by keeping in mind that this Tariff is the lifeline of MITS' MNP business because this Tariff is currently the only revenue source for this business under the current Tariff model.