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Syniverse’s Comments to TRAI’s Updated Consultation on Per Port Transaction Charge

Syniverse’s Reply Comments to TRAI’s 1st April 2019 Updated Consultation Paper on Review of Per Port Transaction Charge and other Related Charges for Mobile Number Portability (Consultation Paper No. 02/2019)

12 April 2019

Registered Office: DLF Cyber City, Building No 5, Tower A, 15th Floor, Gurgaon – 122002

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1 Summary of Syniverse Response

Syniverse thanks the Telecom Regulatory Authority of India (“Authority” or “TRAI”) for a chance to provide our comments and opinions on TRAI’s Updated Consultation Paper on Review of Per Port Transaction Charge (“PPTC”) for Mobile Number Portability as distributed by TRAI on 1 April 2019.

As the current Mobile Number Portability Service Provider (MNPSP) for Zone 1, Syniverse looks forward to a long-term relationship with the Authority and the Telecom Service Providers (TSPs) to serve Indian Mobile subscribers.

Syniverse prefaces its comments by stating it believes that any PPTC set by the Authority should be at a rate allowing Syniverse to continue to provide the high-quality number portability service it provides today. The objective is to enable a long-term, stable relationship that ensures a number can port between TSPs efficiently and effectively to benefit Indian mobile subscribers. To accomplish this, Syniverse believes:

1) The PPTC should be set based on the complete and accurate costs incurred by the MNPSP and should allow for a fair return on investments and expenses. We believe that the Authority should consult and work with the MNPSPs to set a new PPTC. This will ensure that total costs, the number of porting requests received by MNPSPs, and other financial data considered by the Authority are accurate.
2) The PPTC should be based on a reasonable estimation of the number of ports that will be required in the future and should not be based on historical porting rates that include exceptional spikes in volume due to mergers or network shut downs.
3) The PPTC must be assessed in the same manner as it was calculated. If the PPTC is calculated based on port attempts, then it must be applied against all port attempts. Likewise, if the PPTC is calculated based on successful ports only, then it must be applied against successful ports only. Further, it is Syniverse’s believe that the PPTC should be based on port attempts as we do significant work to process those port requests which do not succeed through no fault of the MNPSP.
4) Any changes to the PPTC pursuant to the Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018 (9 of 2018) (7^{th} Amendment) should be made effective at the same date as the obligations of the MNPSP under the 7^{th} Amendment become effective. The PPTC should also account for the additional capital and operational expenses the MNPSPs will need to expend to comply with the additional duties mandated under the 7^{th} Amendment.
5) Once set, the PPTC should remain the same for a reasonable period of time, (Syniverse suggests at a minimum three years), and any change in price should be communicated sufficiently in advance to allow both the MNPSP and the operators to adjust business plans and financial commitments. (Syniverse believes at least six to twelve months is a reasonable period of time).
6) Finally, if the PPTC is set at a rate which is below the costs incurred by the MNPSPs rendering the MNPSP’s business unviable, then the MNPSP must also be given the option to surrender its license with reasonable notice.

Syniverse also believes that pursuant to the judgement of the Hon’ble High court of Delhi on 8 March 2019. The PPTC is Rs.19 per port request – successful or otherwise – and has been the same since 2009. Syniverse believes that any amendment in the charges will now come into effect only from a prospective date when the new Regulations/Tariff order will come into force. And that any change in the tariff will take into consideration the additional work and consequent expenditure on the part of both the MNPSPs included in the 7^{th} amendment.

Before giving its detailed response on the questions raised in the Consultation paper, Syniverse wants to respectfully submit that in the para 3.7 of the updated consultation paper, the Authority has erroneously stated that

"As explained in the preceding paras, initially, the Per Port Transaction Charges were based on the estimated data furnished by the MNPSPs in 2009. Subsequently, 'Per Port Transaction Charge' were reviewed based on the financial and non-financial data of both the MNPSPs as available for the financial years i.e. from FY 2010-11 to 2016-17. This review was based on the audited annual accounts of the MNPSPs up to the year 2016-17 and other relevant information up to 2016-17. Accordingly, the Authority issued the Telecommunications MNP Per Port Transaction Charge and Dipping Charge (Amendment) Regulations on 31st January 2018 whereby reducing the per port transaction charge from Rs. 19/- to Rs. 4/-."

The fact is that the Authority considered the cost and porting of only one year and not from 2010-11 to 2016-17. This was one major reason for arriving at an un-sustainable figure of Rs.4/ per port-transaction charge.

We would request the Authority to provide full disclosure on the outcome of this consultation and any proposed changes to the Telecommunication Mobile Number Portability Per Port Transaction Charge And Dipping Charge Regulations, 2009 pursuant to this consultation and disclose all relevant data and cost models it proposes to employ and the assumptions made by it in setting the PPTC and any other charges, to all the stakeholders. In doing so the Authority will uphold the mandate as provided under Section 11 (4) of the TRAI Act, 1997 which states: "The Authority shall ensure transparency while exercising its powers and discharging its functions."

In its Updated Consultation Paper dated 1 April 2019, the Authority asked six important and relevant questions:

Q1. Whether the 'Per Port Transaction Charges' should continue to be calculated based on the methodology adopted by TRAI during the review done in the past? If not, please suggest methodology and supplement it with the detailed calculations indicating costs of hardware, software and other resources etc.

Q2. While calculating 'Per Port Transaction Charge', whether the total number of MNP requests received by MNPSP or successfully ported numbers be considered? Please justify your response.

Q3. Should the charges for 'Per Port Transaction' and 'ancillary services' be determined separately or consolidated charges. Please justify your response along with detailed calculations indicating cost of hardware, software, other resources and overhead etc. in addition to the rationale for adoption of the method suggested by you.

Q4. Whether the Dipping charge, which is presently under forbearance, needs to be reviewed? If yes, suggest the methodology to determine the rate of dipping charge. Support your response with justification.

Q5. Whether the porting charge payable by the subscriber to the recipient operator should continue to be prescribed as a ceiling charge as per the current practice. If no, please suggest methodology and various consideration for calculating porting charge payable by subscribers.

Q6. Any other relevant issue that you would like to highlight on the MNP related charges?

Our response to these six questions is detailed below.

2 Syniverse Point by Point Response

2.1 TRAI's Calculation Method

TRAI's Question #1: Whether the 'Per Port Transaction Charges' should continue to be calculated based on the methodology adopted by TRAI during the review done in the past? If not, please suggest methodology and supplement it with the detailed calculations indicating costs of hardware, software and other resources etc.

Syniverse's Comments:

At a high level, the methodology used by the Authority to set the PPTC is to divide costs by transactions to derive a cost per transaction cost.

$$Per\ Port\ Transaction\ Cost = Costs/Transactions$$

and then allow the MNPSP to charge a price above that figure so that after taxes the MNPSP is left with a profit of fifteen percent on the MNPSPs cost of capital.

In general, this model could work with a few adjustments; however, great care should be taken by the Authority to use a full and accurate cost in the numerator of the calculation, and a complete sustainable evaluation of the porting volume in the denominator of the calculation while also allowing the MNPSPs a reasonable profit on operational costs in addition to a reasonable return on capital.

Specifically, with respect to the numerator of the Authority's calculation Syniverse makes the following points about the cost estimation:

- **The calculation should use three years' data to determine the Per Port Transaction Cost:** To ensure the PPTC doesn't fluctuate wildly, a three-year average of both numerator (costs) and denominator (volume) should be used in the basic formula. In the initial calculation to set the initial price, the Authority used five years of estimated costs and transactions.

- **The Per Port Transaction Cost Calculation Must consider All Costs.** The TRAI should consider all costs and not ignore consulting and/or royalty costs, even if such costs as paid to an affiliate of the MNPSP. In the case of Syniverse, the MNP Joint Venture (Syniverse MNPSP) entered into an agreement with Syniverse to use existing software from Syniverse to greatly reduce costs of the initial set up and development of the India MNP system. That software is still in use today and India MNP still benefits from it today. If not for this license, Syniverse MNPSP would have had to develop this software from scratch, which would have resulted in a significant higher cost of operations. These are real costs to the MNP joint venture, are reasonable and are part of the ordinary cost of business. To ignore such costs would be unjust.

- T**he Authority should not assume the lowest cost per MNPSP.** The TRAI should consider all of the actual costs of both MNPSPs. To only consider *the lower of the cost of two MNPSPs*" results in neither MNPSP being able to recoup all of its costs. The costs of the two MNPSPs may be different in some regards. One MNPSP may have chosen to spend more capital to reduce ongoing operating expenses. But the other MSP may have elected to avoid the capital cost to bear higher operating costs. Similarly, given the operational flexibility, each MNPSP has adopted models which work better in light of their business plans and the lower cost in one category may be driving the costs up in another category. By selectively picking the lower cost for each category of cost may result in total costs that are below the actual total costs of both MNPSPs. Artificially reducing prices in an unjust manner.

- **Costs figures should reflect cost of debt and cost of accounts receivables.** The current license requires operators to pay within fifteen (15) days of the invoice date, but currently the actual average payment cycle is at least forty-five days. The cost of collection is a real issue for the MNPSPs, and this cost should be considered as part of total costs.

- **The Return Should be Higher than 15% on Cost of Capital.** Businesses are judged not only based on return on capital investment but also on profit margin (revenue, less operating expenses). The method quoted by the TRAI allows only a 15% return on capital employed after the deduction of costs.

- **The PPTC calculation method must include allowances for Taxes.** Taxes represent a real-cost for the MNPSPs and reduce net income after tax that is available for distribution to shareholders, and therefore should be included in total costs.

- **The Authority must consider new costs to be incurred by the MNPSPs with the 7th Amendment.** All of the costs factors above are concerned with the historical costs of the MNPSPs. These costs will be entirely different to the new and significant costs to be borne by the MNPSPs in relation to the implementation required under the 7th amendment. For instance:

    - Additional hardware will need to be purchased to provide processing capabilities for receiving and sending SMSs to donor and recipient SMSCs and generate Unique Porting Codes (UPCs).
    - Additional software will need to be developed to process the SMS messages, send queries to the donor operator, track and process responses from him, and generate the UPCs accordingly.
    - Hardware will also be required to host a new consumer portal utilising one-time tokens to enable subscribers to obtain the status of their UPC request and/or port.
    - Expanded storage is needed to store logs from these new processes and store the data of those responses for the required time frame.
    - Additional monitoring points for these new processes and hardware will incur additional operational costs.
    - Software will be required to generate new reports for the Authority, so it can monitor the performance of the MNPSP as well as the donor operators.

    There are several other miscellaneous costs which it will be incurred by the MNPSPs pursuant to the 7th Amendment.

In addition to the comments above concerning the numerator (or cost) side of the calculation the following points are related to the denominator (or volume) side of the calculation:

- **The 2017 Calculation included Ports due to Merger and/or Network Shut downs.** The TRAI should not include porting requests that include one-time events that are not repeatable, and which spike the number of porting requests. An example of this is that the 2018 porting numbers included a large number of ports which were generated because several operators were closing in certain regions (viz RCOM, Tata and Aircel). Since, these ports are not repeatable, and the calculation should exclude them.

- **Any Calculation to determine a Per Port Transaction Charge should be based on Total Ports, not just Successful Ports.** The MNPSPs incurs cost regardless of whether or not a port is successful, and the success of a porting request depends upon various factors, many of which are not attributable to the MNPSP. In fact, the average costs of an unsuccessful port are higher than the average cost of a successful port because the failed ports generate questions and tickets that must be addressed which successful ports do not. Even if for some reason, the TRAI decides to determine a rate for successful ports only, then it must use the same method for both the numerator and the denominator for the purpose of this calculation. In other words, in order to determine a fair PPTC for a successful port, the TRAI must divide total costs by the number of successful ports not by the number of total ports. As the Hon'ble Delhi High Court noted in its decision dated 8th March 2019 finding the previous PPTC of INR 4 to be arbitrary and unreasonable, and stated that "it is wholly arbitrary and unreasonable to arrive at a figure by incorporating a particular factor and then employ that very same figure to a completely different variable."

- **Several Years of Porting Volume Data Must be Used.** Additionally, since porting requests vary from year to year, the Authority should look at more than one year of ports. In addition, the TRAI should consider that the trend in porting requests is changing and there were 16.7 million fewer ports in fiscal year 2018-2019 than in the prior fiscal year of 2017-2018. In the fiscal year ending 31 March 2019, zone 1 conducted 29.6 million port attempts (failed and successful). There were 46.2 million port attempts in fiscal year ending 31 March 2018. Some of this is because there were many ports in the 2017-2018 fiscal year which were due to several operators shutting down their networks. However, the reduced number of TSPs played a role in the reduction as well. An average of several years' worth of data smooths out any variations even after adjusting for ports due to network closures which caused a short-term spike which is not repeatable.

In addition to the comments above concerning the numerator (or cost) side, and denominator (or volume) side of the calculation, the TRAI should also consider the following two points:

- It has been mentioned in the earlier Consultation paper that Inter-service area portability has also contributed significantly to the porting volumes. Syniverse wants to submit that the number of inter-service area ports are only a small percentage of total ports. Historical data indicates that full MNP porting requests are well under 10% of overall porting requests. The remaining 90% are requests for ports within the same circle. There were initial start up costs and there continues to be ongoing costs for the MNPSPs to support full MNP but there is relatively little incremental revenue from inter-service area ports.

- We would request the Authority to provide full disclosure on the outcome of this consultation and any proposed changes to the Telecommunication Mobile Number Portability Per Port Transaction Charge And Dipping Charge Regulations, 2009 pursuant to this consultation and disclose all relevant data and cost models it proposes to employ and the assumptions made by it in deriving the “total cost” for fixing the PPTC, to all the stakeholders. In doing so the Authority will uphold the mandate as provided under Section 11 (4) of the TRAI Act, 1997 which states: “The Authority shall ensure transparency while exercising its powers and discharging its functions.”

2.2 Total Requests vs. Successfully Ported Numbers.

TRAI’s Question #2: While calculating ‘Per Port Transaction Charge’, whether the total number of MNP requests received by MNPSP or successfully ported numbers be considered? Please justify your response.

Syniverse’s Comments:

As described above, it is important and only fair, that the PPTC should be assessed in the same manner it is calculated. If the PPTC is calculated based on all requests received, then the charge must also be assessed on all requests received. Likewise, if the PPTC is calculated based only on successfully concluded ports, then the charge should also be assessed on successfully concluded ports.

It is well known that in its various tariff fixation, the TRAI has relied upon the “Work Done” principle. Therefore, it is not understood, why in this instance, the TRAI should use a different criterion. The MNPSP has to incur cost even in case of an unsuccessful porting. Moreover, the payment of PPTC being conditioned upon successful porting is *ultra vires* the Telecommunication Mobile Number Portability Per Port Transaction Charge and Dipping Charge Regulations, 2009 (Porting Charges Regulation) since the Per Porting Transaction Charges are defined in the Porting Charges Regulations as being the charges payable for every porting request processed. The MNPSP cannot successfully process porting requests for various reasons, including where the requesting subscriber does not meet the eligibility criteria prescribed by the MNP Regulations, has outstanding bills, has been blacklisted by the donor operator, has made a porting request within the statutory lock-in period, there is a mismatch of consumer identification credentials etc. Similarly, the MNPSP cannot successfully process porting requests if the donor and recipient Telecom Service Providers (TSPs) do not carry out their statutory obligations and procedure to complete the porting. Limiting the entitlement of the MNPSP to situations of successful porting is not only contrary to the statutory scheme, but also penalizes them for failures which may not be attributable to them at all. Further, the Service Level Agreements (SLA) executed between the MNPSP and the recipient operator already provide for levy of excessive penalties on the MNPSP for any failure on the part of the relevant MNPSP in completing a porting transaction. Therefore, making the payment of PPTC conditional on success is unreasonable and puts extra burden on the MNPSPs.

Syniverse believes it is also important that the PPTC should be assessed against all requests received – successful and failed. The MNPSP system does work in both cases and so it should be compensated in both cases. While the percentage of non-successful ports is currently low at about 11% this could increase in the future causing additional investments to be made for expanding capacity that can’t be billed. MNPSPs, in order to meet quality of service obligations, will have to upkeep and upgrade its system and incur costs for both the successful and failed ports. Therefore, we submit that the MNPSP cannot be deprived from recovering the legitimate costs incurred in processing the porting requests, irrespective of the success of the porting transaction.

In addition, unsuccessful ports are generally more expensive than successful ones because the customer rarely if ever calls or opens a ticket about successful porting transactions. Nearly all tickets (related to individual port transactions) are caused by unsuccessful ports. In this way unsuccessful ports can be even more expensive than successful ports.

Usually a port fail happens due to issues other than those which are attributable to an MNPSP. Thus, by excluding these from being billed, the Authority is penalizing the MNPSP even if it is not the MNPSP's fault. In fact, as pointed out by the Authority several times, most failures are from UPC mismatch, expired UPC and other causes.

2.3 Should Ancillary Services be Charged Separately

TRAI's Question #3: Should the charges for 'Per Port Transaction' and 'ancillary services' be determined separately or consolidated charges. Please justify your response along with detailed calculations indicating cost of hardware, software, other resources and overhead etc. in addition to the rationale for adoption of the method suggested by you.

Syniverse's Comments:

MNPSPs, such as Syniverse spend a significant amount of time on these ancillary services, however, for the most part, these are now expected and traditional – MNPSPs have been performing the ancillary services for a long time. We believe that – *provided the PPTC is set appropriately* – additional fees for ancillary services are not necessary. To ensure that the cost estimates and volumes are fair, complete and accurate, and in accordance with section 11(4) of the TRAI Act of 1997, Syniverse expects to be consulted by the Authorities before arriving at the PPTC.

Please note the caveat that the PPTC must be set at a level sufficient to enable these fees to be included at no extra costs to the operators.

However, to ensure that this does not become an issue in the future (i.e. TSPs begin to request database downloads very frequently), a quota per operator can be set to avoid egregious abuses. If any operator exceeds their quota then they can pay for the excessive use. For example, in Table 3.5 for Zone 1 in calendar year 2018 there were 954 instances of database downloads. Therefore, on average that would be about 150 requests per operator (assuming 6 operators existed on average during 2018 – the actual numbers were that 11 existed at the beginning of 2018 but only 7 at the end and of those 7 remaining 5 represent 99.8% of the volume). Given that, we could set the capacity quota (usage cap) at 500 requests per operator and charge a fee per database download if a carrier exceeds its individual cap of 500 requests. We believe this would be fair to operators as they would be able to enjoy their current usage plus a 2 to 3 times multiple of that current usage without paying anything extra. Meanwhile the MNPSP would be protected from excessive demands. This model would provide fairness to all parties.

2.4 Dipping Charges

TRAI's Question #4: Whether the Dipping charge, which is presently under forbearance, needs to be reviewed? If yes, suggest the methodology to determine the rate of dipping charge. Support your response with justification.

Syniverse's Comments:

Syniverse welcomes the opportunity to provide a dipping service to TSPs and other entities who want to access or utilize this data to improve their services. Today, this service is provided by the TSPs and International Long-Distance Operators (ILDOs). As such they charge a fair market fee to consumers of the service. Up to this point, despite the license grant included dipping, Syniverse has not been specifically authorized to offer the dipping service. We would welcome the chance to compete and provide the dipping service if there is a business case. Since several other entities provide this service today, Syniverse believes that the Authority does not need to determine the rate of dipping. Granted, if the number of dipping providers decreases significantly then a limit on dipping transaction fees may be warranted in the future. We would also welcome a statement from TRAI which specifically authorises MNPSPs to provide dipping services in light of the regulatory uncertainty.

2.5 Subscriber Charge Ceiling

TRAI's Question #5: Whether the porting charge payable by the subscriber to the recipient operator should continue to be prescribed as a ceiling charge as per the current practice. If no, please suggest methodology and various consideration for calculating porting charge payable by subscribers.

Syniverse's Comments:

Syniverse has no comment on what the operators should charge their subscribers for porting. We believe this should be an operator decision. We understand that operators typically do not charge anything today to port their number. As long as there is healthy competition in the market, we believe that operators will continue to waive any fees or maybe charge a minimal fee. Should a single operator try to charge an excessive fee they would most likely find that their share of new subscribers added via ports would decline.

2.6 Other MNP Charge Related Issues.

TRAI's Question #6: Any other relevant issue that you would like to highlight on the MNP related charges.

Syniverse's Comments:

The Per Port Transaction Charge should be Stable over Time

As mentioned in the introduction to our comments in section 1, we believe the price must be fixed in the short term to ensure certainty of continued service. Any change in price – either a decrease or increase – should be determined in a fair, reasonable and consultative manner and notified to all parties far enough in advance to adjust business plans and commitments to investors and other stakeholders. For this reason, we recommend the following:

- Any future price changes should be considered only if the number of ports or costs vary significantly (e.g., greater than 10%) from the conditions present at this time when the price is set.
- That such variance should be sustained over a long period of time (e.g. six months)
- At least six, but preferably twelve, months must be allowed between subsequently setting a new price and that price becoming effective.
- Significant changes to process requiring significant changes in operations or re-development should be considered to re-evaluate pricing. In the past, there have been changes to the porting regulations that required additional work by the MNPSPs which did not result in revising the MNP tariff. For example, adopting full national portability in 2015.

Transparency in determining Per Port Transaction Charge

Section 11(4) of the TRAI Act, 1997 requires the Authority to ensure transparency in the exercise of its powers. Therefore, Syniverse sincerely believes that the decision process for calculation of 'total cost' and port volumes for determining PPTC or any other charges will be done following proper consultation especially with the two MNPSPs and using cost methodology and parameters which are not arbitrary.

Charges for UPC Request Generation Should be in Addition to the Per Port Transaction Charge

All UPC requests generated do not result in a port. In fact, there are about 4.5 times as many UPC requests as numbers successfully ported. In some cases, the UPC expires before use and has to be generated again at the time of the port. In other cases, the UPC is requested by a subscriber in order to gain the attention of their current donor provider to bargain for a lower tariff. Further, this ratio of 4.5 UPCs per port request is not guaranteed to be stable.

There are significant and incremental costs to comply with the 7th Amendment by the MNPSP to receive a UPC request, query the donor operator, generate the UPC or rejection reason, send that UPC or rejection reason, and validate the UPC upon receipt of the port request from the recipient operator that are not present today. These new processes present real and significant costs to the MNPSP. The Authority will need to include expected costs of these processes in its calculations.

But rather than try to 'blend in' these costs into the known costs of the main portability process, Syniverse believes that these costs should be covered in a separate tariff charged to the donor operator. It would be capricious and arbitrary to include the costs for processing and generating UPCs with the PPTC. The two use different counts.

In addition, the PPTC is assessed to the Recipient Provider whereas it is the donor operator that benefits from retaining the subscriber if the subscriber requests a UPC just to bargain with his or her current provider. In effect the recipient operator has to pay for the retention of the subscriber by the donor.

As with the launch of portability not all of the costs of complying with the 7th amendment are known at the time of launching the 7th amendment. Also similar to when the portability was launched, the volume of UPC requests is not fully known because subscriber behaviour towards requesting a UPC may change as the validity period of the UPC will be different in most circles. Therefore, Syniverse believes a per UPC request fee should be set in consultation with the MNPSPs and that fee can be reviewed and adjusted in the future. To ensure that the cost estimates and volumes are fair, complete and accurate, and in accordance with section 11(4) of the TRAI Act, 1997 Syniverse expects to be consulted by the Authority before arriving at the UPC generation and validation charges.

3 Other Comments

In addition to its response to the six specific questions asked by the Authority, Syniverse would also make these additional comments related to Chapter 3 of the updated consultation paper.

- In Section 3.1 of the updated consultation paper the Authority mentions that "The MNPSP has to make not only capital investments in the initial phase but recurring operating expenditures for the entire span of the award of the license." This is true, but it should be mentioned that the capital investments are also required after the initial launch is completed. Tech refreshes must be carried out from time to time to replace older hardware. In addition, there have been multiple process changes requiring additional investment in software development. For example, since the inception of porting there have been six amendments for such changes as corporate porting, full national porting, non-payment disconnects which required development and redeployment in the MCH software provided by the MNPSP. Even the implementation pursuant to the 7th Amendment will require the MNPSPs to spending significant additional capital and increase operating expenses.

- In section 3.3. of the Updated Consultation Paper there is a reference as follows: "*There was huge upsurge in the number of porting requests from 64 lakh in 2010-11 to 368 lakhs in 2014-15, which has further gone up to 636 lakhs in 2016-17.*" First it should be noted that 2010-11 was the initial fiscal year ending 31 March 2011. However, porting began only in one circle in November 2010. It was not until mid-January 2011 that porting became available in all circles. So, to use 2010-211 as the base for this growth example does not paint the correct picture. Secondly the increase in subsequent years has in large part been driven by network closures and mergers. Syniverse's view is that the Indian telecom market has reached a fairly stable state with only a handful of operators left compared to the many who started during the period of 2010 to 2015. Having fewer choices to port amongst will tend to result in reduction of MNP requests. This is evident from Table 3.2 in the Updated Consultation Paper where total number of requests dropped to 412 lakhs during 9 months of 2018-19. And even that number is somewhat inflated by a network closure early in the fiscal year. Finally, on this point, we will mention that FMNP is not a major contributor of the "huge upsurge in MNP requests". During 2018 calendar year, inter circle MNP requests are 8% of total MNP requests.
- In Section 3.6 of the Updated Consultation Paper there is a statement: "*Cumulative MNP requests made for mobile number porting by the subscribers which is at 23.31% for last 7 years*". This number is found by dividing 2727.53 lakh cumulative ports by 11,701.78 total number of wireless subscribers as on 31 March 2017. However, it should be noted that the cumulative ports may contain some subscribers porting multiple times. Additionally, the Table 3.2 preceding Section 3.6 should not be projected into the future because of the many and various disruptions to the India MNP environment. The number of carriers has dropped since 2015 causing a lot of porting activity to move from one network to another. Even the "% Share Subs" in Table 3.2 drops from 8.29% as of the year ending 31 March 2018 to just 3.5% as of 31 Dec 2018. However, we note that the figure of 412 lakh ports as of that time is for only nine months. So, that 412 lakhs would be approximately 549 lakhs if prorated for a full year ending on 31 March 2019. That would represent approximately a 4.6% port rate for 2018-2019 which shows a steep decline from 2017-2018.
- In section 3.11 Syniverse appreciates that TRAI acknowledges the enhanced role of the MNPSPs after implementation of the 7th Amendment will necessitate the infusion of additional capital investments and ongoing operational costs by MNPSPs for additional servers, storage as well as development in software. As such we also appreciate that the Authority's intent is to compensate MNPSP accordingly.
- In Section 3.13 of the Updated Consultation Paper the Authority acknowledges the additional services mentioned in table 3.5 which are provided by MNPSPs indirectly benefit mobile subscribers in India. Syniverse appreciates that the Authority understands and recognizes that the MNPSPs are aligned to perform these activities bearing the cost of these services which impact on return on investment for MNPSPs. As mentioned elsewhere in our response, in past years we provided these services at no additional fee because the PPTC of INR 19 allowed the MNPSP enough to cover these costs. However, at INR 4, these costs could not be supported. We believe that these costs should be included provided, however, the PPTC is set adequately to support this approach. We believe this will be less costly overall than having to account for and invoice all of the various ancillary services separately.

4 About Syniverse

Syniverse is the world's most connected company—we pioneer innovations that take businesses further. Our secure, global network reaches billions of people and devices. Our engagement platform powers the customized experiences of the future. And the millions of secure transactions we drive every minute are revolutionizing how goods and services are exchanged. We have always led companies to reimagine the boundaries of possibility. Today we're delivering on opportunities with the power to change the world. www.syniverse.com.