



SMW3 Outage of July 05

Presentation to PTA
by
ISPAK

8 March 2006



Fiber vs Satellite Bandwidth

- It was decided in 2001 by the then Minister for IT & Telecom, Prof. Dr. Atta ur Rahman that PTCL would keep 50% satellite back up of its Internet backbone capacity on SMW3. PTCL did implement this directive at that time but in successive years, ignored to increase the satellite bandwidth whereas the capacity on sub marine optical fiber grew many folds.



On 27 June 05, 8:55 p.m.

Pakistan Internet Exchange (PIE):	5 x STM1s = 775 Mbits
FLAG Virtual POP:	3 x STM1s = 465 Mbits
Total capacity on SMW3:	1,240 Mbits
Total Capacity sold (PIE + FLAG):	1,208 Mbits
Satellite:	3 x 34 Mbits = 102 Mbits
Percentage of Satellite Backup:	8.2%



Outage Occurred:

27 June 05, 8:55 p.m.

Satellite Backup added after 2 days
of outage:

$2 \times 34 \text{ Mbits} = 68 \text{ Mbits}$

Satellite Backup added after 4 days
of outage:

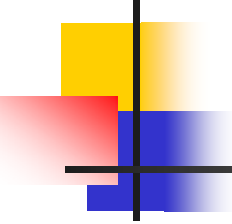
$2 \times 34 \text{ Mbits} = 68 \text{ Mbits}$

Satellite Backup added after 8 days
of outage:

$1 \times 34 \text{ Mbits} = 34 \text{ Mbits}$

Total backup on satellite on 9th day
of outage:

272 Mbits



Satellite capacity as %age of optical fiber
capacity on last day of outage:

21.9%

SMW3 Restored:

8 July 05, 12:35 pm

Total Outage:

10 days 8 hours



What ISPs lost..

- Revenue for 10½ days
- Decrease in Internet usage even after the restoration of SMW3 due to loss of confidence of Internet users
- Heavy operating losses for that month
- PTCL even billed ISPs for bandwidth for those 10½ days where practically no bandwidth was available.



Negotiations for compensation

- Two meetings were held between PTCL and ISPAK on 27 and 29 July 05 upon directions from the Minister of IT&T.
- It was the desire of the Ministry of IT&T that compensation should be passed on to the country's Internet users as a gesture of goodwill from the Government and PTCL.
- In order to pass on 10 days credit to Internet users, ISPAK demanded compensation equivalent to 40 days of usage as bandwidth costs are 25-30% of ISPs operating costs.



Negotiations for compensation

- PTCL declined to offer any compensation to ISPs.
- ISPAK continued to escalate the matter at the Ministry of IT&T and PTA level.
- PTCL says that no compensation is applicable under the SLA as this exempts any outages in Section 5 of SMW3.
- In Feb 2002 when no SLA was signed, PTCL passed on 10 days credit to ISPs for outages not exceeding 48 hours.



Legal Position

- Under Contract Act, 1872, Article 51-52 of “Performance of Reciprocal Promises”, *where a party to a contract does not perform his promise, the other party need not perform the reciprocal promise* - reciprocal promise in this context being the obligation of ISPs to pay the service charges which was not provided to them.



Legal Position

- **Ruling passed under Telegraph Act, 1885:** A telephone subscriber is entitled to expect that he will be provided uninterrupted service as long as he meets his obligations in regard prompt payment of bills relating to the rental, call charges etc. The subscriber is therefore entitled to be compensated for the inconvenience and hardship caused to him as such. [(1 (1992) CPJ 189 (NC) India]