

Information note to the Press (Press Release No. 102/2016)

For Immediate Release

Telecom Regulatory Authority of India

TRAI issues Consultation Paper on “Review of the Regulatory Framework for Interconnection ”

New Delhi, 21.10.2016 – The Telecom Regulatory Authority of India (TRAI) has today issued a Consultation Paper on **“Review of the Regulatory Framework for Interconnection”**.

2. Interconnection is the lifeline of telecommunication services. The term ‘interconnection’ refers to the commercial and technical arrangement under which telecom service providers (TSPs) connect their equipment, networks and services to enable their subscribers to have access to the subscribers, services and networks of other TSPs. In order to ensure that interconnection arrangements are finalized in timely manner, a number of issues are required to be determined by the regulator. TRAI issued the Telecommunication Interconnection (Reference Interconnection Offer) Regulation, 2002, which stipulated various technical and commercial conditions, following which a TSP could seek interconnection and agree upon specific charges and arrangements. However, the telecommunication service sector in the country has witnessed several economic and technological changes since 2002. A few of the developments in the sector are given below:

- (i) Changes in the nature of telecom market - from pure State monopoly to intensely competitive market;
- (ii) Emergence of mobile telephony as a primary means of communication and continuous decline in the number of wire-line subscribers in the last decade;
- (iii) Technological changes leading to migration to next generation networks (NGN) and Internet Protocol (IP) networks; and
- (iv) Expiry of telecom licenses of some TSPs and consequential need for renegotiation of interconnection agreements.

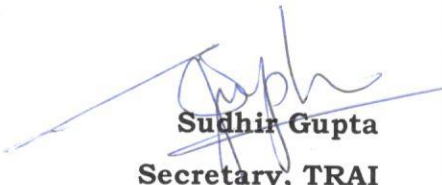
3. These developments have altered the nature and economics of telecommunication services sector as well as the strategy of market players and have, in several ways, influenced the scale and choice of investments in different types of technologies and services. Many of these developments impinge upon the matter of interconnection between TSPs. Regulator is required to mandate a framework for interconnection, it has not only to ensure that the framework is

efficient but also that the framework is able to adapt to the changing circumstances as outdated regulations run the risk of stifling market growth and innovation.

3. The Consultation paper broadly raises following issues:

- Which is the best option to ensure fair, reasonable and non-discriminatory terms and conditions of interconnection agreement between telecom service providers (TSPs), in view of the technological, market, licensing, regulatory and legal developments in the telecommunication services sector in India since 2002?
- What should be the time-frame for entering into interconnection agreement when a new TSP with a valid telecom license places a request for interconnection to an existing TSP?
- Should an interconnection agreement between TSPs continue to operate if an interconnecting TSP acquires a new license upon expiry of an old license? Alternatively, should fresh agreements be entered into upon specific request of either party to the interconnection?
- Whether there is a need to continue with the present concept of interconnection seeker/ interconnection provider? If yes, what should be the criteria?
- Whether there is any need to review the level of interconnection?
- What should be the framework to ensure timely provisioning/ augmentation of E1 ports?
- What should be the criteria to ensure that inflated demand for ports is not made by interconnection seeker?
- Whether interconnection and interconnection agreement should be service-specific or service-agnostic (i.e. a TSP can send any type of traffic on a point of interconnection which is allowed under the terms and conditions of the license given to it)?
- Which policy and regulatory measures are required to be taken to encourage TSPs to migrate to Interconnection at IP level? What should be the terms and conditions for inter-connection at IP level?
- Whether there is a need to establish a framework for Interconnect Exchange to eliminate bilateral interconnection issues? Whether access providers should be allowed to transit intra-circle calls?
- Under what circumstances, a TSP can disconnect POIs? What procedure should be followed before disconnection of POI?

4. Copy of the full text of the CP is available on TRAI website: www.trai.gov.in. The written comments on the issues raised in the consultation paper are invited from the stakeholders by 21.11 2016 and counter comments by 06.12. 2016. For any clarification/information Shri Arvind Kumar, Advisor (Broadband & Policy Analysis), TRAI may be contacted at Tel. No. +91-11-23220209.



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