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103 A Block
Ambedkar Nagar
New Delhi 110017
www.uviresearch.com
sameer@uviresearch.com

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To
The Chairman,
Telecom Regulatory Authority of India,
Government of India,
New Delhi - 110002.

Subject: Interconnection Termination Charges

Dear Sir,

Network interconnection and call termination charges is the fee that a service provider pays to other operators for connecting and completing voice calls on their networks. The Telecom Regulatory Authority of India (TRAI) introduced this system in 2003 under the Calling Party Pays regime aimed at providing a simpler revenue sharing mechanism among various operators. Initially the charges varied from 15 paisa per minute to 50 paisa per minute before the same was reduced to a uniform rate of 20 paisa per minute in 2009. While doing so, the Authority expressed the need to improve and streamline the IUC regime.

The same expression was reflected in TRAI's 2011 report, submitted to the Honourable Supreme Court, pressing for a progressive reduction in termination charges finally converging to zero at the end of two years from November, 2011. The Authority further indicated that a new regime, Back and Keep (B&K), would be implemented from 2014 which will allow for a complete removal of termination charges.

These charges have a direct impact on tariffs that end-consumers pay by setting a virtual price-floor for call tariffs and thereby inflating the same. Moreover, the charges distort the market by imposing avoidable costs on the market players which in turn deters smaller and in some cases, newer players from optimizing their revenue earnings.

3 years have passed since the regulator first expressed its intention to bring the B&K regime. Under the light of probable benefits that the removal of termination charges may entail, we request your good-self to intervene in the matter and guide the regulator (TRAI) to come out with a pro-consumer plan for a progressive reduction in termination charges finally converging to zero termination charges.

Thanking you.

Warm Regards,

For UVI RESEARCH
Sameer
Proprietor