

To

Dated 05/10/2019

Shri Ravi Shankar Prasad  
Hon'ble Telecommunications & IT Minister  
Government of India,  
Sanchar Bhawan, Ashoka Road, New Delhi-110001

Sub: Introduction of Bill & Keep method than earlier Interconnection User Charge Regime in  
Telecom Sector for national growth

Hon'ble Sir,

With regard to the above subject, we are of the firm view that the Interconnect User Charge (IUC) must be reduced to zero immediately for the benefit of the consumers as well as the industry. The Telecom Regulatory Authority of India should stand by its earlier decision and commitment that it had given to Hon'ble Supreme Court of India rather than floating a new idea to extend the IUC regime.

IUC is a charge paid by a telecom company on whose network a call originates to the company in whose network it ends. It is currently 6 paise/minute and telecom regulator TRAI had recommended to make it to zero paise. It has also submitted an affidavit in the Supreme Court in favour of moving away from IUC to a Bill & Keep system. We are of the firm opinion that the Authority should move to Bill & Keep method.

We are confident that eliminating IUC would speed up the progression from existing 2G/3G networks to IP networks that use 4G / 5G. This will help consumers get the benefit of the latest technology.

As you are aware Bill & Keep is a modern approach to interconnection charging in which the networks recover their costs only from their own customers rather than from the sending network. The telecom industry is very well aware that IP networks and volte (Voice over LTE) has become a reality in India.

TRAI had agreed earlier that it will move from IUC to Bill & Keep. With the development of technologies, it will be difficult to distinguish between voice and data calls. The only solution is for TRAI to move to Bill & Keep and reduce IUC to zero.

The argument that most telecom revenue for companies comes from voice calls too is under serious pressure because more and more consumers are using over the top (OTT) applications like WhatsApp, Skype, Viber and WeChat as VoIP (voice over internet protocols). In fact, voice over data and Voice over LTE (VOLTE) was slowly becoming the standard in India. This regime is incompatible with IUC. Hence switching to Bill & Keep will not only help telcom companies gain money to invest in their networks, but also make the latest technology accessible to consumers.

We understand the existing telecom companies should have taken early steps towards Volte. Majority of incumbent operators are still on 2G and 3G network and offered tariffs as high as Rs 1.5/ minute for voice calls though they have maximum 4G spectrum. Despite the availability of 4G spectrum, they have not shifted to latest technologies. The Indian telecom sector is moving towards IP networks where the per minute call cost is less than a paisa. Why should consumers suffer because of continuation of old technology?

In view of the above we humbly submit that the Authority should interfere and ensure that Bill & Keep system is introduced in India from 2020 as per the plan to benefit the consumers at large.

Looking forward to hear from you.

Thanking you

With warm regards



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- i. Principal Secretary to Hon'ble Prime Minister of India, Prime Minister Office, Government of India, New Delhi
- ✓ ii. The Chairman, Telecom Regulatory Authority of India, Government of India, New Delhi