

TELECOM REGULATORY AUTHORITY OF INDIA

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TRAI RELEASES CONSULTATION PAPER ON IUC ISSUES

1. TRAI issued a consultation paper to review IUC regime and certain principles for tariff packages in view of the several representations received from telecom service providers and other stakeholders with respect to both the IUC and tariff regime.
2. This consultation paper has brought out various issues as pointed out by various stakeholders for public consultation. These issues may be grouped in four main categories i.e.
 - i. Interconnect Usage Charges (IUC).
 - ii. The Access Deficit Charges (ADC)
 - iii. Tariffs
 - iv. Calling Party Pay (CPP) Regime
3. The Authority has also noted the comments that the market situation is likely to change substantially both because of the introduction of the calling party pays regime as well as the introduction of IUC consistent tariffs and the system of origination, carriage and termination charges encompassed in the framework of the IUC regime. The impact of these developments will also have to be examined in the context of the consultation process. This process will also need to consider the sustainability of any IUC regime in providing the necessary revenues to recover the access deficit.
4. This consultation paper has raised certain issues through a series of questions for public consultation for public consultation and has invited the response all stakeholders. The questions include:
 - i. Does the IUC regime need any improvement and streamlining?
 - ii. Should the ADC be calculated on current costs as at present or should Forward Looking Long Run Incremental Cost method be used for its calculation like in several other countries, to eliminate any possibility of regulatory advantages to any service compared to others.
 - iii. Whether tariff forbearance for WLL (M) and Cellular services should continue and whether fixed line tariff should continue to

be regulated?

In addition to the above, questions related to Tariffs, CPP and certain suggested corrective steps as pointed out by service providers for IUC regulation and tariff order have also been covered in this consultation paper. The Consultation Paper has been placed on TRAI website www.trai.gov.in.