

No.: BSNLCO-RGLN/30/1/2025-REGLN dated 23-04-2025

To,

Shri Sameer Gupta, Advisor (NSL-I),  
Telecom Regulatory Authority of India,  
WTC, Nauroji Nagar, New Delhi- 110029.

**Sub:** Comments on the Pre-Consultation Paper titled 'Review of existing TRAI Regulations on Interconnection matters'-reg

In respect to the pre-consultation paper on Review of existing TRAI Regulations on Interconnection matters, please find below the comments of BSNL,

With regard to TRAI's endeavour to develop a robust regulatory framework for interconnection, it is seen that the journey to existing interconnection regulations doesn't seem to achieve the goal so far. This can be understood with the following submissions:

Ever since 2005, TRAI has issued several Regulations/ amendments, it is needless to state that the successive amendments have caused losses to BSNL. While bringing out such Regulations/ Recommendations, it seems that the principle of level playing field has not been appropriately considered.

It may be noted that almost all interconnection Regulations are inter-related whether it is about Port charges, IUC or IN etc. Each amendment is closely related to the other e.g. while carriage charges were high, private TSPs were more interested in having PoI at the lowest level of switching area. However, subsequently when carriage charges were reduced, these TSPs are now interested in having connectivity at one point only.

Despite Regulations/ earlier Licenses mandating setting up of PoP at SDCA level – only BSNL had establishment/ set-up at all SDCAs. The private TSPs did not honour the mandate and refrained from spending on establishing PoP at SDCA level. BSNL installed level-2 TAXs in all LDCA across India to provide interconnection to private TSPs in accordance with extant Regulations, spending crores of rupees and now the same TSPs are demanding disconnection at level 2 Tax locations and connectivity at level-1 TAX. BSNL request TRAI to protect these investments and recurring costs of BSNL which was incurred by BSNL to meet with extant Regulations/ License conditions.

Today, new TSPs are not required to establish SDCA exchanges/ LDCA TAXs at all. The TSPs providing Internet Telephony does not even require any fixed

establishment other than for interconnectivity from a centralized location, limiting their expenses to a minimal level. But at the same time it is eligible to receive port charges, IUC etc. as equivalent to BSNL whose expenditure in providing interconnectivity has no parallels. These regulations have step-by-step greatly affected BSNL revenues whereas other TSPs have gained considerably.

While bringing out amendments, TRAI does mention its objectives but it seems that these regulations have not met the desired objective e.g. while making Mobile to Fixed line Termination charges to zero, TRAI envisaged growth in wireline subscriber base whereas the result was the regular reduction of wireline subscriber base.

#### **A) The Telecommunication Interconnection Regulations, 2018**

It is submitted that BSNL is a PSU with 100% Government of India holding and it cannot be compared with other private TSPs. Except for the TIR amendment in July 2018 which protected the interest of BSNL to some extent, the majority of the TIR Regulations released in January 2018 gave an edge to the private TSPs over BSNL.

TRAI Regulations mandate all TSPs to enter into non-discriminatory and transparent interconnect agreements with other TSPs. However, while BSNL's interconnect agreements are uniform, transparent and non-discriminatory, the private TSPs does not seem to follow the TRAI's guidelines in this regard. They have different understanding among themselves on interconnection. Also, these TSPs collectively pressurize BSNL to deviate from the stand of non-discrimination.

The private TSPs have reservations in the implementation of interconnect seeker and interconnect provider concept. Some TSPs suggest BSNL to sign discriminatory agreement as per their dictate or else, they will not sign the agreement at all. They had even made complaint to TRAI seeking to direct BSNL to implement all important interconnection Regulations without any agreement.

It needs to be emphasized that over the years, it is the BSNL who has established exchanges at all LDCA/ SDCA levels to meet the extant Licensing/ Regulatory dispensation – by incurring huge expenditure in capex (construction of exchange buildings/ installation of Local/ TAX exchange/ laying of copper local cables) and opex (including recruitment of manpower at all levels). While BSNL resources (money as well as man-power) were engaged largely in arranging and providing for interconnection, incurring huge expenditure, the private TSPs employed their resources in mobile network expansion and customer acquisition. The private TSPs have over the years only used the establishment/ network of BSNL for their growth. While BSNL spend most of its expenditure on establishments whereas private TSPs made the similar expenses towards customer acquisition and network expansion. As a result, private TSPs have huge customer base while BSNL is still struggling with maintaining its establishments and manpower. A level playing field may be ensured to protect huge investments made by BSNL.



Before the TIR 2018, BSNL was not required to pay port charges to other TSPs. However, consequent to the TIR 2018, BSNL is now required to pay port charges to other TSPs. Similarly, before TIR 2018, BSNL was not required to submit Bank Guarantees to other TSPs and BSNL sought Bank Guarantees from other TSPs suitably to protect its receivables. From the BSNL perspective, the issue of Bank Guarantee needs immediate attention. And not only IUC, the Bank Guarantee should also include other interconnection charges and outstanding.

TRAI may also recommend action to be taken if the other party does not make payment of dues. Disconnection of interconnectivity is harsh as it affects subscribers of both parties. As the Interconnection has been mandated by TRAI, the issues related to the payment of interconnection dues by one party to another may also be addressed.

One more issue which needs attention of the Authority is that of knowingly keeping POIs faulty by some private TSPs and thereafter seeking disconnection/ routing through higher level exchanges and withholding payments.

From BSNL perspective, BSNL does not have level playing field with private TSPs; however, some of the private TSPs demand for reciprocity and single point connectivity. However, such demands from TSPs may be applicable only between those TSPs who are at same level in terms of establishment and investment. BSNL has made huge expenditure in setting up of establishments at SDCA/ LDCA levels and migration of connectivity to a single point will make such establishments unproductive. The Authority is requested to ensure that BSNL's investments/ recurring costs which are inherently result of license/ regulatory compliances should be protected similar to earlier ADC.

It is submitted that TSPs are not signing interconnect agreements and therefore not providing interconnectivity to BSNL in Delhi and Mumbai citing their own terms and conditions thus delaying BSNL service launch. Appropriate provisions may be made by TRAI in this regard.

**B) The Short Message Services (SMS) Termination Charges Regulations, 2013**

Similar to issues raised above in para (A), the establishment of originating TSP needs to be given prominence while deciding SMS termination charges. An internet Telephony service provider or a TSP who has essentially established only SMSC may not be compared with the TSPs who have established BTS/ BSC/ MSC and huge Mobile network. Especially for A2P SMS, such TSPs (internet Telephony service provider or a TSP which has essentially established only SMSC), should be liable to pay proportionately more termination charges to mobile/ GMSC TSPs.

**C) Intelligent Network Services in Multi-Operator and Multi-Network Scenario Regulations, 2006**

No Comment

**D) TRAI (Transit Charges for BSNL's Cell One Terminating Traffic) Regulation, 2005**

No Comment.

**E) The Telecommunication Interconnection Usage Charges Regulation, 2003**

BSNL has suffered losses due to following Amendments:

1. Fifth Amendment 01-02-2005-Reduction of ADC charges;
2. Sixth Amendment 01-03-2006- Reduction of carriage charges to a ceiling of 65 paise;
3. 7-9<sup>th</sup> amendment – Reduction of ADC charges and no ADC after 01-10-2008;
4. 11<sup>th</sup> Amendment 01-03-2015 – Reduction in Termination charges;
5. 12<sup>th</sup> Amendment 01-03-2015 - Reduction of carriage charges to a ceiling of 35 paise;

**F) The Telecommunication Interconnection (Reference Interconnect Offer) Regulation, 2002**

It may only be BSNL which has a non-discriminatory Interconnect Agreement.

**G) The Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001**


No Comment

**H) The Telecommunication Interconnection (Port Charges) Regulation, 2001**

The matter of Port Charges Regulations is sub-judice.

**I) The Register of Interconnect Agreements Regulation, 1999**

No Comment

  
23-04-2025  
DGM (Regulation-II)  
Mob no. 9868254555

— 4/4 —