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TRAI/FY25-26/04 23rd April 2025

Shri Sameer Gupta Advisor (Networks, Spectrum and Licensing-I) **Telecom Regulatory Authority of India,** World Trade Centre, Nauroji Nagar, New Delhi – 110029

Subject : Bharti Airtel's Comments on Pre-Consultation Paper on Review of existing TRAI **Regulations on Interconnection matters** 

Reference : TRAI's Pre-Consultation Paper dated 3rd April 2025

Dear Sir,

This is in reference to TRAI's Pre-Consultation Paper on Review of existing TRAI Regulations on Interconnection matters dated 03.04.2025.

In this regard, we are pleased to enclose our comments on the said pre-consultation paper for your kind consideration.

Thanking You,

Yours' Sincerely, For Bharti Airtel Limited

Cohit Kath

Rahul Vatts **Chief Regulatory Officer** 

Encl: a.a



#### Preamble:

Airtel would like to thank the Telecom Regulatory Authority of India (**"Authority"**) for giving it the opportunity to express its views on the Authority's pre-consultation paper, 'Review of existing TRAI Regulations on Interconnection matters.'

Interconnection is a critical part of effective telecom connectivity. It is the foundation for seamless communication across the customers of different service providers. Without effective interconnection, the networks of individual service providers would be akin to standalone islands – with the customers of one service provider being able to communicate only with each other, and not with the customer of any other service provider.

Interconnection plays a crucial role in improving the customer experience on the one hand – with lower latency, better call quality, higher reliability and seamless connectivity, as well as enhancing the network efficiency for service providers on the other hand – with reduced traffic congestion, optimized routing with resiliency, scalability and cost efficiency.

Since interconnection is essentially a *sine qua non* for an operator wishing to provide seamless services, the regime should be such that it maintains **parity – between domestic and foreign operators, and between private and PSU operators**.

Here is a summary of our key issues and the recommendations therein. Thereafter, in the next section, each of these issues has been detailed.

S. No.	Key Issue	Recommendation
Α.	Upward Revision of International Termination Charge for Incoming ILD Calls	i. The ceiling for ITC should be revised from ₹0.65 per minute to at least ₹4-5 per minute immediately to bridge the gap between Indian and global rates to some extent.
		ii. Since even with suggested rates, the gap will remain significant, the Authority should also create a glide path to align the ITC with global benchmarks in next 2-3 years.
В.	Upward Revision of Deterrent Charges for Domestic Commercial SMS	i. The deterrent charges on domestic commercial SMS should be revised, to deter bulk spamming, promote responsible enterprise messaging, and uphold a fair and secure digital communication ecosystem.
C.	Two-Way Communication on 1600 Number Series	<ul> <li>The 1600 number series should be formally classified as qualifying under IN Services, as per the 2006 IN Regulations.</li> </ul>



		ii.	<b>Incoming call capability should be enabled</b> on the 1600 series under the same regulatory and charging framework applicable to the 1800 series.
D.	Mandatory Interconnection on P2P Services Only; Excluding A2P Traffic:	i.	The scope of the mandatory interconnection regime should be limited to P2P voice and SMS communication only, thereby preserving the original intent of seamless subscriber connectivity.
		ii.	<b>Commercial segregation of A2P traffic should be mandated,</b> requiring telemarketers to establish direct interconnection arrangements with terminating operators under mutually agreed commercial terms, including tailored IUCs and anti-spam safeguards.
Ε.	Addressing Challenges in Interconnection with PSU Operator	i.	Mandate symmetric and reciprocal commercial terms across all service providers, including the PSU operator – to ensure a level playing field, recognizing reciprocity as a foundational principle for interconnection agreements.
		ii.	Issue clear and enforceable directions ensuring that no service provider is treated as a perpetual "seeker" beyond the stipulated two-year period.
		iii.	Mandate all service providers, including the PSU operator, to establish interconnections at one location in an LSA level for the exchange of voice traffic, within prescribed timelines.
		iv.	Mandate time-bound migration to IP-based interconnection across all networks, including the PSU operator.
		v.	Mandate reciprocal, transparent, and cost-based application of Pol infrastructure charges, duct usage charges, passive cabling charges, Pol setup charges, and port charges.



## A. Upward Revision of ITC for Incoming ILD Calls

International Termination Charge (**"ITC"**) is the rate paid by foreign carriers to Indian operators for terminating inbound international calls on Indian networks. It serves as a key commercial lever in the global telecom ecosystem, helping to ensure reciprocity, fair value exchange, and sustainable network economics. For operators like Bharti Airtel, which carry substantial volumes of international traffic, ITC directly impacts revenue recovery, spectrum utilization, and investment viability.

While the Authority's last upward revision of ITC to ₹0.65 per minute helped correct a previously unsustainable rate, this ceiling remains materially below global norms. Indian operators continue to operate at a structural disadvantage – required to maintain extensive last-mile networks and bear regulatory compliance costs – while receiving less than a tenth of what they pay for terminating calls in many foreign jurisdictions. It may also be noted that it has already been almost half a decade since the last revision.

In this context, we submit that there is a compelling case to further revise ITC upwards. Such a move is not only necessary from a commercial fairness perspective but also critical to curb misuse of India's telecom infrastructure by international intermediaries and to strengthen national economic interests.

## India's ITC Rates are significantly lower than Global Benchmarks:

Indian telecom operators currently receive a maximum of ₹0.65 per minute for terminating international calls. By comparison, international benchmarks are as below:

- Brazil: ~₹2 per minute
- China: ~₹5 per minute
- Russia: ~₹15 per minute
- Europe and the Middle East: ₹12–₹17 per minute (average)
- SAARC region: ~₹14 per minute (average)
- North America: up to ₹19 per minute

Meanwhile, Indian operators pay approximately ₹3–₹3.5 per minute to foreign carriers for outgoing calls. There is no reciprocity in this arrangement. The foreign operators retain the benefits of high inbound pricing while continuing to use India as a low-cost termination market.

This mismatch leaves Indian operators with little negotiating leverage, despite the cost and quality of domestic infrastructure involved in delivering these calls. Moreover, the current ITC regime allows global aggregators to retain disproportionate margins by leveraging India's low termination charges without passing on any savings to customers in their home markets or creating value for Indian networks.



#### Customer Safety Threatened by Foreign Spammers Exploiting India's Low ITC Rates:

Malicious actors and spam networks are exploiting the low termination rates in India to route high volumes of unsolicited and often harmful international traffic to Indian users. This has led to a surge in scam calls, phishing attempts, and robo-calls, posing not only a nuisance but also a growing threat to customer safety and national security. The economic incentive for such activities stems from the low cost of landing international calls into Indian networks, making it financially viable for bad actors to target India over other jurisdictions where ITC rates are higher and, therefore, less profitable for spammers.

This problem is becoming increasingly concerning at a time when Indian operators are investing heavily in implementing advanced frameworks to curb spam and protect users. Under the Authority's Telecom Commercial Communication Customer Preference Regulations, 2018 (**"TCCCPR"**), service providers are mandated to maintain scrubbing registries, deploy blockchain-based Distributed Ledger Technology (**"DLT"**) systems, and ensure real-time compliance with user consent frameworks. These are not just paper commitments, service providers have committed considerable resources to upgrading infrastructure, onboarding registered senders, verifying headers and templates, and developing sophisticated detection mechanisms. The regulatory architecture built under TCCCPR is among the most advanced in the world, and is showing measurable impact in curbing domestic spam.

However, the low ITC significantly undermines these efforts by creating a parallel route for abuse. The low cost of sending these calls ensures that foreign spammers can operate at scale with negligible financial deterrent. Service providers are therefore left to deal with the consequences handling user complaints, filtering harmful calls, investing in call traceability tools, and engaging in reactive compliance, despite the problem originating outside Indian borders and thriving on a pricing model that facilitates such abuse.

The harm is not limited to mere inconvenience. International spam often carries greater risk, as it is frequently linked to financial scams, impersonation frauds, and data harvesting attempts. Customers, especially those less digitally literate, may find it difficult to differentiate between a legitimate international call and a fraudulent one, leading to loss of money, sensitive personal information, or both. This weakens customer trust in digital communication and undermines the progress made under national digital initiatives.

In this context, an upward revision of India's ITC is a necessary regulatory safeguard for a trusted and secure digital ecosystem. Increasing the termination charge would make it more expensive for bad actors to flood Indian networks with spam. It would ensure that the efforts and investments made by service providers and the government in curbing domestic spam are not rendered ineffective by loopholes in international routing. If left unaddressed, the current ITC regime will continue to be exploited as a backdoor to harm Indian users, and may severely undercut the efficacy of India's otherwise robust anti-spam regulatory architecture.



# Upward Revision Will Not Affect Indian Customers:

It is important to emphasize that **increasing ITC will not have any adverse impact on Indian customers. Inbound international calls are not billed to the recipient.** The responsibility for payment lies entirely with the originating carrier or its intermediary. A revised ITC regime would therefore place the cost burden only on foreign carriers – many of whom currently benefit from India's underpriced termination regime without offering reciprocal benefits.

A higher ITC would simply restore fairness and sustainability to the system by ensuring that foreign carriers pay a reasonable rate for using Indian networks. It would enhance revenue realization for Indian operators, support infrastructure upkeep, and reduce systemic misuse – without passing any cost to domestic users.

# Commercial and National Losses under the Current Regime:

India's status as a low-cost termination market results in a significant loss of commercial value for domestic operators. **International calls into India are often terminated through aggregators and hub providers who take advantage of the arbitrage between India's low ITC and the higher rates in other jurisdictions.** These intermediaries accrue substantial margins while Indian operators receive minimal compensation despite bearing the cost of network termination.

This imbalance is further exacerbated by the absence of any parallel benefit for Indian customers or the national economy. Since **incoming international calls are not charged to the recipient, a lower ITC offers no end-user benefit.** Instead, it reduces revenue accrual to Indian operators, and undermines foreign exchange inflows from international telecom settlements.

This trend has strategic implications. The **net outflow in global interconnection settlements caused by India paying more for outbound calls than it earns for inbound traffic negatively affects the country's balance of payments in the telecom domain.** Additionally, the suppressed ITC rate reduces the sector's financial resilience at a time when infrastructure investments are rising and the shift to next-generation services is accelerating.

## Airtel's Recommendations:

# In view of the foregoing discussion, Airtel recommends the following:

(i) <u>The ceiling for ITC should be revised from ₹0.65 per minute to at least ₹4-5 per</u> <u>minute immediately</u> to bridge the gap between Indian and global rates to some extent.



(ii) Since even with suggested rates, the gap will remain significant, the Authority should also create a <u>glide path to align the ITC with global benchmarks in next 2-3</u> <u>years</u>.

#### B. Upward Revision of Deterrent Charges for Domestic Commercial SMS

The persistent rise in unsolicited commercial messages – many of which are promotional in nature – has become a major pain point for customers and operators alike. A key enabler of this deluge is the low deterrent charges for domestic commercial SMS. While the current deterrent charge of 5 paisa has worked favourably against bulk spamming practices, it has not succeeded in eliminating spam entirely. These minimal charges allow entities to flood networks with mass messages at negligible cost, overwhelming systems, degrading customer experience, and undermining the credibility of legitimate communication channels.

Importantly, the deterrent charge of 5 paisa was prescribed at a time when DLT had not yet been implemented. Now, service providers have made significant investments in setting up and maintaining DLT platforms – a robust framework for sender registration, content verification, and customer consent management. Despite these efforts and costs, the problem persists in large part due to the insufficient deterrence created by current pricing structures.

There is, therefore, a compelling need to revise the deterrent charges for commercial SMS. Doing so would not only ensure that enterprises adopt more selective and responsible messaging practices, but also reinforce the financial viability and effectiveness of the ecosystem-wide safeguards implemented by service providers.

#### Airtel's Recommendations:

Therefore, Airtel recommends that the deterrent charges on domestic commercial SMS should be revised, to deter bulk spamming, promote responsible enterprise messaging, and uphold a fair and secure digital communication ecosystem.

## C. Enable Incoming for 1600 Number Series under the IN Framework

DoT has earmarked the **1600 number series** primarily for telemarketing and service-related **outgoing calls**. However, the current framework restricts this series to **outbound-only functionality**, with **incoming call capability not yet enabled**.

Given the rising volume of **unsolicited communications** and the increasing **demand from financial institutions, healthcare providers, and customer service entities** for a **trusted and unified identity**, there is now a compelling case to enable **two-way communication** on the 1600



number series. A unified number that serves both **outgoing and incoming calls** will significantly strengthen **brand authenticity, improve user experience**, and serve as a critical tool for **fraud mitigation**.

Several organizations – particularly in sectors like banking, insurance, and fintech – have expressed a need for a **single, recognizable number** to engage customers. This is not merely a matter of operational convenience, but a **security-enhancing measure** that helps establish customer trust and reduces impersonation risk.

However, two-way use of the 1600 series must be enabled while simultaneously ensuring that the same regulatory and charging structure as the 1800 series. From a regulatory and technical standpoint, this can be effectively achieved by classifying the 1600 series under the **Intelligent Network (IN)** framework. Calls managed on the IN platform allow for advanced routing and control features. Formal classification under the **Intelligent Network Services in Multi-Operator and Multi-Network Scenario Regulations, 2006** would bring the 1600 series under the **same service provisioning and charging structure**, ensuring **regulatory clarity** and **uniform treatment** across service providers.

By doing so, the Authority would not only facilitate a **customer-centric communication framework**, but also strengthen systemic efforts to **combat fraud**, **streamline interconnection practices**, and **enhance brand accountability**.

## Airtel's Recommendations:

## Therefore, Airtel recommends the following:

- (i) <u>The 1600 number series should be formally classified as qualifying under IN Services</u>, as per the 2006 IN Regulations.
- (ii) Incoming call capability should be enabled on the 1600 series under the <u>same regulatory</u> <u>and charging framework applicable to the 1800 series</u>.

## D. Mandatory Interconnection on P2P Services only; Excluding A2P Traffic

The mandatory interconnection regime was originally conceived to ensure uninterrupted peerto-peer ("P2P") voice and SMS communication across networks. However, application-toperson ("A2P") traffic, which is commercial in nature and fundamentally different from P2P communication, has over time been inadvertently routed through the same Points of Interconnection ("Pols") meant for P2P traffic. Initially adopted as a practical workaround when A2P volumes were low and Interconnection Usage Charge ("IUC") was non-zero, this blended routing practice has since become widespread. While regulatory mechanisms like the TCCCPR



framework have evolved to manage unsolicited commercial communication (**"UCC"**), the use of P2P interconnection pathways for A2P traffic has continued unchecked.

This misuse has become one of the key enablers of the **spam epidemic** in telecom networks. By routing A2P traffic through P2P pathways, telemarketers avoid entering into direct agreements with terminating operators – agreements that usually include **spam control mechanisms**, such as usage-based tariffs, disconnection clauses, and commercial penalties. As a result, operators **lose the ability to identify and filter spam at the network level**, and customers continue to receive a **high volume of unsolicited messages and robo-calls** with no effective recourse.

The lack of distinct Pols for A2P traffic has also led to billing ambiguities, degraded quality of service, and erosion of customer trust. Importantly, it disincentivizes investment in more sophisticated spam detection and mitigation tools, as the very architecture of traffic routing prevents proper classification and control.

To restore regulatory integrity and protect customers, it is imperative that **A2P traffic be** excluded from the mandatory interconnection regime and handled exclusively through commercial agreements between service providers and telemarketers.

#### Airtel's Recommendations:

Therefore, Airtel recommends that the Authority should:

- i. <u>Strictly limit the scope of the mandatory interconnection regime to P2P voice and</u> <u>SMS communication only</u>, thereby preserving the original intent of seamless subscriber connectivity.
- ii. <u>Mandate commercial segregation of A2P traffic, requiring telemarketers to</u> <u>establish direct interconnection arrangements with terminating operators under</u> <u>mutually agreed commercial terms</u>, including tailored IUCs and anti-spam safeguards.

## E. Address Challenges in Interconnection with the PSU Operator

The Authority – being the telecom regulator – has been tasked with ensuring "technical compatibility and effective interconnection between different service providers", under Section 11(1)(b)(iii) of the Telecom Regulatory Authority of India Act, 1997 (**"TRAI Act"**). We appreciate the efforts made by the Authority towards regulating various interconnection matters through multiple regulations issued from time to time, as also listed in the instant Pre-Consultation Paper.



However, we submit that a majority of the provisions under these regulations are being selectively applied only to private operators, leading to significant operational difficulties and financial disparities for private players. **The unilateral terms imposed by the PSU operator are archaic**, having been designed at a time when the PSU operator held a monopoly over telecom services and private players were compelled to accept several unfair and unreasonable demands in order to establish mandatory interconnection and launch their services.

It is important to acknowledge that the legacy behavior of the PSU operator – exercising unilateral authority for over three decades – continues to manifest in today's interconnection arrangements. Despite a drastically transformed telecom landscape, where private operators now carry the bulk of network traffic, make substantial infrastructure investments, and bear primary responsibility for customer service, interconnection continues to be governed by outdated and often one-sided practices. This reflects a disconcerting asymmetry wherein private players are expected to function within a framework of mutual cooperation, while the PSU operator retains the liberty to impose conditions with little regard for fairness or reciprocity.

Such an arrangement is inherently discriminatory. It places private operators at a structural disadvantage, forcing them to operate under a regime that has failed to evolve with the liberalization and competitive progression of India's telecom sector. These challenges are compounded by the lack of adequate recourse or enforcement to ensure parity in the application of interconnection norms. These challenges are discussed in detail in the subsequent paras.

#### **Remove Regulatory and Systemic Arbitrage:**

Despite the dramatic evolution in India's telecom landscape – from analog to digital, circuitswitched to IP-based, and manual provisioning to real-time network management – the systems and interconnection mechanisms followed by the PSU operator remain rooted in a regulatory and operational mindset from thirty years ago. While the cost of spectrum, infrastructure, security, and service delivery has significantly increased for all operators, the regulatory obligations and frameworks governing the PSU operator's conduct have not been updated in tandem.

This has created entrenched inefficiencies and exploitable gaps, allowing the PSU operator to selectively comply with outdated norms, delay modernization, and retain procedural discretion – all of which distort fair competition and delay rollout of services to customers. It is imperative that these regulatory arbitrage opportunities are closed through clear timelines, mandatory compliance, and enforcement by the Authority.



#### i. End 'Perpetual Seeker' Status:

For nearly three decades since the liberalization of India's telecom sector, private operators have consistently been treated as "seekers" in interconnection arrangements with the PSU operator – regardless of market share, traffic volume, or infrastructure contribution. This entrenched classification was originally a product of a bygone era when private players were new entrants and the PSU held a dominant position. However, even today, despite the reversal in market dynamics and clear regulatory guidance under the Telecom Interconnection Regulations, 2018 ("TIR 2018"), this outdated treatment persists.

The TIR 2018 framework mandates that the cost burden of interconnection – covering infrastructure and transmission – should be shared equitably between service providers, with each bearing the cost of its outgoing traffic after an initial two-year period of the interconnection being established. Yet, the PSU operator continues to classify private operators as perpetual "seekers" beyond this two-year period under legacy bilateral agreements (except in Delhi and Mumbai), thereby not adopting the reciprocal terms of the agreement.

This not only defies the regulatory framework but also constitutes a blatant violation of the principle of non-discrimination. By exempting itself from shared cost obligations while imposing them unilaterally on others, the PSU operator creates an uneven playing field, distorting fair market conduct and undermining trust in the regulatory ecosystem.

The resulting cost asymmetry has led to repeated financial disputes and operational inefficiencies – impediments that are neither justified nor sustainable in a modern, competitive telecom market.

Therefore, Airtel urges the Authority to issue clear and enforceable directions ensuring that no service provider is treated as a perpetual "seeker" beyond the stipulated two-year period. Equal and non-discriminatory implementation of costsharing obligations is essential to uphold the integrity of the interconnection framework.

#### ii. Mandate Adoption of Centralized Pols:

The **TIR 2018**, as amended by the Telecommunication Interconnection (Second Amendment) Regulations, 2020 (**"TIR 2<sup>nd</sup> Amendment 2020"**), provides that the Pol shall be at such location as may be mutually agreed between the operators involved; and in case they fail to reach an agreement, it shall be at the Long Distance Charging Centre (**"LDCC"**). It further provides that the existing Pols at Short Distance Charging



Centre (**"SDCC"**) level shall remain in operation for 5 years from the date of TIR 2<sup>nd</sup> Amendment 2020 (i.e. till 9<sup>th</sup> July 2025), or as mutually agreed by the involved operators – whichever is earlier.

Hence, due flexibility has been provided to the service providers for centralization of Pols at the level of a Licensed Service Area ("LSA"), as per mutual agreement. In fact, the interconnection among all private operators is now limited to a couple of locations in an LSA, depending on traffic and redundancy requirements.

However, in the absence of a mandate, the PSU operator does not agree to this arrangement. This forces the private operators, intending to launch fixed line services in a Short Distance Charging Area (**"SDCA"**), to seek interconnection with the PSU operator at the SDCC/LDCC level. This is despite the fact that majority of times, the PSU operator face technical challenges in providing interconnection at SDCC/LDCC level. Moreover, at majority of these interconnects, the traffic within an SDCA is so abysmally low, that it does not justify having a separate Pol at SDCC level.

What this effectively results in is a situation where the **roll-out plans of private operators are contingent upon the willingness of a competing operator** to cooperate – a clearly untenable arrangement. **Such a scenario, where a competitor effectively determines the pace of service deployment, is antithetical to fair market functioning.** The Authority must urgently intervene to rectify this anomaly and ensure a predictable and enabling interconnection environment.

A highly decentralized interconnection model based on mandatory SDCA/LDCA level interconnection is in the best interests of neither the service providers nor the customers, as it leads to increased cost of operations for service providers resulting in increased prices for the end customers. Further, such requirement acts as a deterrent for launching of fixed line services in towns where establishing SDCA level interconnection with the PSU operator is mandatory.

On the other hand, establishing interconnection at the LSA level will be technically efficient and also economically prudent for all service providers (including the PSU operator). Further, this approach will also help the PSU operator by freeing up their capital and resources in SDCCs/LDCCs where their equipment is reaching end of life. This will eliminate the need to establish the interconnection at SDCC/LDCC which is an extremely slow and time consuming process, and in turn leads to delay in roll out of services.

<u>Therefore, Airtel recommends that it should be mandatory for all service providers,</u> including the PSU operator, to establish interconnections at one location in an LSA level for the exchange of voice traffic, within prescribed timelines.



## iii. Mandate IP-Based Interconnection:

The telecom industry is undergoing a structural shift toward all-IP networks to enable high-quality services such as VoLTE, video calls, and other real-time applications. With the advent of IP networks, the TDM based circuit switched networks are being replaced with IP based packet switched core networks.

In case of IP based packet switched core networks, a single soft switch along with the required number of Access/Line Media Gateway (**"LMG"**) and Trunk Media Gateway (**"TMG"**) can replace large number of standalone TDM based switches. In fact, one soft switch may be sufficient to cater to the requirement of one or more than one LSAs. As a large number of LMGs and TMGs can be parented to a single Soft Switch, the requirement of a large number of standalone TDM switches can be done away with.

All major private operators have already migrated a substantial portion of their Pols to IP. Even the PSU operator has deployed IP-TAX Trunk Media Gateways and NGN infrastructure, but continues to maintain legacy TDM-based interconnection arrangements with private operators.

This dual structure leads to interoperability issues, degraded call quality (especially for VoLTE-to-VoLTE or video calls across networks), inefficient capacity utilization, and increased operational costs. Additionally, the PSU operator's fragmented PoI provisioning for fixed-line services, despite its own centralized switching architecture, continues to result in delays and network planning challenges.

Further, although private operators do not charge each other for IP-based interconnection, the PSU operator has cited the absence of regulatory clarity on IP-based interconnection charges as a key bottleneck.

Therefore, Airtel recommends that the Authority should mandate time-bound migration to IP-based interconnection across all networks, including the PSU operator.

#### iv. Mandate Compulsory Implementation of Pol Traffic Bifurcation:

TIR 2018 requires the bifurcation of Pol capacity based on traffic direction (incoming vs. outgoing), enabling each service provider to manage its own traffic and billing responsibilities independently. However, the PSU operator has repeatedly delayed this process, often citing administrative hurdles or proposing draft addenda that do not conform to the Authority's regulations.



In many circles, the PSU operator refuses to implement retrospective bifurcation from 2018 and insists on applying it only from the date of addendum execution – most of which have been pending for years. This regulatory non-compliance has caused ongoing billing discrepancies, revenue losses, and unresolved disputes for private operators.

<u>Therefore, Airtel recommends that the bifurcation of Pol capacity, as envisaged</u> <u>under the TIR 2018, should be enforced retrospectively from 2018, with defined</u> <u>accountability and redressal timelines.</u>

v. Ensure Timely Pol Commissioning:

Despite a regulatory mandate under TIR, 2018 requiring Pol setup within 42 days, the PSU operator routinely exceeds this timeframe, adversely impacting the service rollout and expansion plans of private operators.

### Therefore, Airtel recommends the following:

- (i) In cases where the timeline is breached, the requirement of Pol commissioning with the PSU operator before launch of services should be waived off.
- (ii) The 42-day limit should be strictly enforced for all service providers, including the PSU operator with financial disincentives in case of non-compliance.

#### vi. Ensure Responsive and Time Bound Process for Pol Surrender:

Surrender of Pols or ports is often met with no response from the PSU operator, resulting in prolonged periods during which private operators continue to be billed for unused or underutilized capacity. This violates the cost-sharing spirit of the regulation and financially disadvantages private operators.

Therefore, Airtel recommends that there should be a time-bound, regulated process for Pol surrender, with standardized formats, and explicit provisions that if the PSU operator fails to act within the stipulated period, no further charges shall apply and private operators shall be free to remove their equipment.

#### Rationalize the Charges associated with Interconnection:

Private telecom operators have built and continue to maintain expansive, state-of-the-art networks that serve the vast majority of India's telecom customers, driving forward connectivity,



innovation, and digital transformation. In doing so, they shoulder massive operational, compliance, and capital expenditure responsibilities across geographies. However, the current interconnection regime disproportionately burdens private operators with unilaterally imposed charges – ranging from infrastructure and provisioning to emergency services – while the PSU operator is neither held to the same standards nor required to operate on reciprocal terms.

This asymmetry in commercial obligations not only violates the principle of non-discrimination but also hampers competitive neutrality. The regulatory framework must now evolve to protect fairness and efficiency, ensuring that no operator is allowed to dictate terms or offload unjustified charges onto others.

### i. Mandate Reciprocity in Commercial Terms:

Interconnection agreements with the PSU operator are often one-sided. For instance, the PSU operator imposes higher interest rates on delayed payments by private operators, while paying no interest on their own outstanding dues. Additionally, bank guarantees and port charges are not reciprocal in structure or amount.

Therefore, Airtel recommends that the Authority should mandate symmetric commercial terms across all service providers, including the PSU operator – to ensure a level playing field, recognizing reciprocity as a foundational principle for interconnection agreements.

#### ii. <u>Rationalize Pol Infrastructure Charges:</u>

The PSU operator imposes unilaterally determined **Pol infrastructure charges** covering space and power and other operational facilities, with **annual automatic escalations of 10%**. These charges have increased by nearly 500% between 2010 and 2025 across city categories (X, Y, Z), with no basis in actual infrastructure costs or mutual agreement.

This lack of **transparency, cost justification, and standardization** in the pricing practices of the PSU operator leads to significant cost distortions, undermines fair competition, and imposes an undue financial burden on private operators. For FY 2025-26, the Pol infrastructure charges for the PSU operator range from **₹10.4 lakh to ₹16.4 lakh per annum**, depending on the city classification.

#### Therefore, Airtel recommends that the Authority should:

(i) <u>Bring Pol infrastructure charges under regulatory oversight</u> to prevent unchecked cost escalation.



- (ii) <u>Ensure transparency and standardization</u> in how infrastructure costs (including space, power, etc.) are determined and applied.
- (iii) <u>Cap or rationalize annual escalation provisions</u> to reflect actual cost trends.
- (iv) <u>Mandate mutual agreement and non-discriminatory application</u> of infrastructure charges across all service providers, including the PSU operator.

## iii. <u>Rationalize Overlapping and Unjustified Charges for Duct Usage, Passive Cables, and</u> <u>Pol Setup:</u>

The PSU operator continues to levy separate charges for duct usage, passive cabling, and Pol setup – even in locations where these costs are already accounted for within the broader Pol infrastructure charges. This practice results in overlapping billing and creates unnecessary financial strain on private operators, while lacking transparency and justification.

For instance, duct charges at some locations run into several crores. Additionally, passive cable charges are levied at ₹3,000 per E1, and a one-time Pol setup charge of ₹1 lakh per instance is also imposed. These charges are unilateral and often lack clear correlation with actual provisioning costs.

Such practices run counter to the principles of cost-based interconnection and regulatory fairness.

#### Therefore, Airtel recommends that the Authority should:

- (i) <u>Prohibit overlapping infrastructure charges</u> where duct usage, passive cabling, or setup costs are already included within Pol infrastructure charges.
- (ii) Ensure that <u>Pol-related charges are non-duplicative, transparent, and cost-based</u> across all locations.
- (iii) Mandate a <u>uniform and rationalized charge structure</u> for Pol provisioning to prevent arbitrary and location-specific cost burdens.

#### iv. <u>Revisit Outdated and Non-Cost-Based Port Charges:</u>

The port charges levied by the PSU operator have not been revised since 2012, despite significant changes in network traffic volumes, technology, and cost dynamics over the past decade. These legacy rates do not reflect the current actual cost of port



inventory and continue to be applied based on cost estimates from 2012. Moreover, private operators are required to pay these charges to PSUs for both incoming and outgoing traffic.

<u>Therefore, Airtel recommends that the Authority should revise the port charges to</u> <u>reflect current costs, mandate mutual reciprocity, and review these on bi-annual</u> <u>basis for transparency and fairness.</u>

#### v. Mandate Reciprocal Treatment of Miscellaneous Charges:

The PSU operator unilaterally charges private operators for Pol setup and signaling point code changes, but does not bear similar charges when roles are reversed. This lack of reciprocity violates the principle of parity in interconnection.

Therefore, Airtel recommends that the Authority should mandate reciprocal treatment of one-time charges across all service providers, including the PSU operator.

#### vi. <u>Revisit Unjustified Emergency Services Charges:</u>

Provision of emergency services is a mandatory obligation under the Unified License, and historically, private operators were dependent on the PSU operator for routing such calls. Over time, significant policy reforms have aimed to streamline this process. The Justice Verma Committee, constituted after the Nirbhaya incident, recommended the establishment of a "Public Emergency Response System" in its report dated 13<sup>th</sup> January 2013.

In line with this, the Authority issued recommendations on a "Single Number based Integrated Emergency Communication and Response System (IECRS)" on 7<sup>th</sup> April 2015. The Ministry of Home Affairs followed with Nationwide Emergency Response System Guidelines in August 2015, and the DoT subsequently issued instructions for the implementation of the 112-based Emergency Response Support System ("ERSS") to all service providers on 4<sup>th</sup> May 2016, and again on 24<sup>th</sup> August 2020.

Public Safety Answering Points (**"PSAPs"**) have now been established across all States and Union Territories, and private operators have provisioned Primary Rate Interfaces (**"PRIs"**) at nearly all such locations to route emergency calls directly to the respective PSAPs. However, a few L-1 emergency short codes (such as 100, 101, 102, etc.) are yet to be fully migrated to the new framework, compelling private operators to route some emergency traffic through the PSU operator.



Despite the fact that emergency services are provided to users free of charge, and despite the regulatory mandate for universal access, the PSU operator continues to levy excessive charges on private operators, both lump sum and per-call. These charges have escalated significantly over time, rising from **₹10 lakh per LSA in 2010** to **₹41.77 lakh per LSA in 2025**, with no clear cost basis or regulatory approval. This creates a disproportionate financial burden on private operators and is inconsistent with the policy objective of accessible and equitable emergency services for all.

Therefore, Airtel recommends that only IUC should apply to emergency calls, and there should be no lump sum fees.