

Consultation Paper No. 2001/2

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Telecom Regulatory Authority of India

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CONSULTATION PAPER

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“INTERNATIONAL LONG DISTANCE SERVICES”

3rd September 2001, New Delhi

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Preface

1. Following the announcement under the New Telecom Policy (NTP) 1999 that International Long Distance (ILD) Service would be opened up, the Government has more recently announced that this Service will be opened up for private participation from 1st April, 2002. The Government has sought

TRAI's Recommendations on the modalities for opening up of the ILD Service with specific reference to certain key issues. These include terms and conditions of the license, number of players in this field, selection criteria, license fee structure and other license conditions.

2. In our country, liberalization of the telecommunications sector started in the early 1990s. The opening up of Cellular Mobile Service sector was followed by private participation in Basic Service and the National Long Distance Service Sectors. While the liberalization of the ILD Sector raises some issues similar to those arising in these other cases, it also raises certain policy issues specific to the ILD Service. Until some years ago, most countries operated International Services through Government owned monopolies and used the surpluses from this as well as Domestic Long Distance Services to subsidize Basic Services. The situation has now changed in a large number of countries, following adoption by them of other accommodating policies, including tariff re-balancing and more detailed interconnection regime. As we proceed to liberalize the ILD sector in India, here too we need to consider these aspects of the matter. In the area of International Services, some additional policy considerations become very relevant due to aspects such as call-back, bypass and the fact that not all the revenues are generated domestically.

3. The TRAI has identified the following issues as key determinants of the policy regime under which the ILD Service Sector will be liberalized:
 - (a) Type and nature of competition
 - (b) Selection criteria
 - (c) Types of services to be permitted
 - (d) Terms and conditions of the license
 - (e) License Fee Structure

(f) Carrier selection, interconnection regime and other technical issues

4. This paper gives information on the existing global scenario regarding the ILD Sector, and provides a background for considering the various policy/operational issues relating to the ILD Sector. Each Section of the paper ends with a list of questions addressing various issues that need to be addressed by TRAI before the recommendations sought by the Government are provided. The objective is to solicit the views of various stakeholders including Service Providers, Consumers, Consumer Organizations or anybody else interested in the subject.

5. Since the Recommendations to the Government are to be made in a time-bound manner, we would like to have the comments and views on any or all issues raised in this paper on or before 30th September, 2001. For further clarifications, Adviser (Fixed Network Division), TRAI may be contacted on telephone number: 6166930. The fax number is 6103294 and e-mail is: trai@del2.vsnl.net.in. Submissions in electronic form would be appreciated.

Sd/-

M. S. Verma

Chairman

New Delhi

3rd September, 2001