

TELECOM REGULATORY AUTHORITY OF INDIA
Notification

No.311-1/2003-Econ

New Delhi, the 24th January 2003

In exercise of the powers conferred upon it under section 36 read with clauses (ii), (iii) and (iv) of sub section (b) of Section 11 (1) of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, to fix the terms and conditions of interconnectivity between Service Providers, to ensure effective interconnection between different service providers and to regulate arrangements amongst service providers of sharing their revenue derived from providing telecommunication services, the Telecom Regulatory Authority of India hereby makes the following Regulation.

THE TELECOMMUNICATION INTERCONNECTION USAGE CHARGES (IUC)
REGULATION, 2003

(1 OF 2003)

Section I

Title, Extent and Commencement

1. Short title, extent and commencement:

(i) This Regulation shall be called “The Telecommunication Interconnection Usage Charges (IUC) Regulation 2003” (The Regulation).

(ii) The Regulation shall cover arrangements among service providers for payment of Interconnection Usage Charges, for Telecommunication Services, covering Basic Service which includes WLL (M) services, Cellular Mobile Service Providers and Long Distance Operators throughout the territory of India.

(iii) The Regulation shall be deemed to have come into force from the date of notification in the official Gazette.

Section II

Definitions

2. In this Regulation, unless the context otherwise requires:

(i) “Act” means the Telecom Regulatory Authority of India, 1997 as amended by TRAI (Amendment) Act, 2000.

(ii) “ADC” means Access Deficit Charge.

(iii) “Authority” means the Telecom Regulatory Authority of India.

(iv) “BSO” means the Basic Service Operator.

(v) “Ceiling(s)” mean(s) the upper limit(s) of a charge specified by the Authority.

(vi) "Floor" means the lower limit of a charge specified by the Authority from time to time below which such charges may not be offered.

(vii) "Forbearance" means that the Authority has not, for the time being, notified any charge for a particular telecommunication service and the service provider is free to fix any charge for such service.

(viii) "Interconnection" means the commercial and technical arrangements under which service providers connect their equipment, networks and services to enable their customers to have access to the customers, services and networks of other service providers.

(ix) "Interconnection Charge" means the charge for interconnection levied by an interconnection provider on an interconnection seeker.

(x) "Interconnection Usage Charge (IUC)" means the charge payable by one service provider to one or more service providers for usage of the network elements for origination, transit and termination of the calls.

(xi) "Interconnection Provider" means the service provider to whose network an interconnection is sought for providing telecommunication services.

(xii) "Interconnection Seeker" means the service provider who seeks interconnection to the network of the interconnection provider.

(xiii) "International Subscriber Dialing" (ISD) means direct interconnection between an end user in India with another end user in another country by means of direct dialing through public networks.

(xiv) "National Long Distance Operator (NLDO)" means the Operator providing National Long Distance (NLD) Service.

(xv) "Order" means the Telecommunication Tariff Order, 1999 as amended from time to time.

(xvi) "Originating Network" means the network to which an originator of a telecommunication message (voice and non-voice) is proximately connected to.

(xvii) "Originating/ Transit/ Terminating Service Provider" means the service provider whose network is used for originating/ transit/ terminating a telecommunication message (voice and non-voice) respectively.

(xviii) "Regulation" means The Telecommunication Interconnection Usage Charges (IUC) Regulation 2003.

(xix) "Reporting Requirement" means the obligation of a service provider to report to the Authority at least 45 working days before implementing any new Interconnection Usage Charge for telecommunication services under this Regulation and any changes thereafter.

(xx) "Set Up Costs of Interconnection" means the initial cost of any system upgradation needed to provide the specific interconnection facilities requested.

(xxi) "Subscriber Trunk Dialing" (STD) means direct interconnection between two end users within India by means of direct dialing through the public long distance networks.

(xxii) “Terminating Network” means the network to which a receiver of a telecommunication message (voice and non-voice) is proximately connected to.

(xxiii) “Transit Network” means the network through which telecommunication messages (voice or non-voice) from originating networks or other transit networks are transmitted and delivered to terminating or other transit networks.

(xxiv) “Usage Charge” means the charge levied by a service provider for carriage of telecommunication traffic on its network, i.e. for use of its network elements.

(xxv) “WLL (M)” means limited mobility telephony service using wireless in local loop technology within a Short Distance Charging Area.

(xxvi) Words and expressions used in this Regulation and not defined herein but defined in the Act shall have the same meanings assigned to them in the Act.

Section III

3. Interconnection Charges

Interconnection Charges shall continue to be governed by “The Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001(5 of 2001)”, except to the extent modified by this Regulation.

Section IV

4. Interconnection Usage Charges (IUC)

The Interconnection Usage Charges are specified in Schedules hereto.

Schedule I – Schedule Of Origination & Termination Charges for Long Distance Calls i.e. Inter-SDCC Calls Routed through one or more TAXs

Schedule II – Schedule For Carriage Charges For Long Distance Calls

Schedule III - Schedule for Inter-network intra-circle calls between Fixed and Cellular

Table – A: Metro Networks

Table – B: Circle Networks

Schedule IV – Schedule for Inter-Network Intra-Circle calls between WLL (M) and Cellular

Table – A: Metro Networks

Table – B: Circle Networks

Schedule V – Schedule for Inter-Network Intra-Circle calls between WLL (M) and Fixed

Table – A: Metro Networks

Table – B: Circle Networks

Schedule VI - Schedule for International Long Distance Calls

Schedule VII – Fixed to Fixed Local Calls between two Basic Service Providers

(i) Unless specifically provided in the Schedules to this Regulation, the Authority forbears with respect to other Interconnection Usage Charges.

(ii) IUC values have been specified in the Regulation. For long distance calls beyond 50 Kms involving Fixed Line, the Service Providers are allowed to negotiate a Spot IUC value within +/- 10% of the IUC value specified in the Regulation. The spot value of IUC as specified or negotiated shall be applicable for both incoming as well as outgoing traffic between operators, for the use of identical network elements.

(iii) In the event spot value of IUC mentioned in (ii) above is not arrived at within 45 days from the date of such request, either party will approach TRAI with the details of their network element costs and traffic particulars for a determination in the matter. Pending such a determination, the IUC value specified in the Regulation shall be applicable. Under the normal circumstances, TRAI would provide its determination within 30 days of the receipt of all relevant inputs from both the service providers.

¹ [(iv) The date of effect for actual implementation of IUC shall be 1st May, 2003.]

² [(v) The existing revenue sharing arrangement or Interconnection Usage Charges arrangement, if any, between the Interconnecting networks shall hold good only up to 30th April, 2003 in respect of the items as specified in the Regulation.]

³ ⁴ [(vi) All existing interconnect agreements/arrangements as on date shall stand amended on 1st May, 2003 so as to conform to the notified framework of the IUC regime and these shall be submitted to TRAI for registration by 30th June, 2003, and for subsequent changes as per reporting requirement.]]

(vii) Values specified in this Regulation shall be applicable for all Reference Interconnect Offers by Significant Market Players (SMPs).

¹ Subs. by the First Amendment Regulation, 2003, reg. 2.1, for “(iv) The date of effect for actual implementation of IUC shall be 1st April 2003.” (w.e.f. 27.2.2003).

² Subs. by reg. 2.2., *ibid.*, for “(v) The existing revenue sharing arrangement or Interconnection Usage Charges arrangement, if any, between the Interconnecting networks shall hold good only up to 31st March, 2003 in respect of the items as specified in the Regulation.” (w.e.f. 27.3.2003).

³ Subs. by reg. 2.3, *ibid.*, for “(vi) All existing interconnect agreements/arrangements as on date shall stand amended on 1st April, 2003 so as to conform to the present framework of the IUC regime and these shall be submitted to TRAI for registration by 16th April, 2003, and for subsequent changes as per reporting requirement.” (w.e.f. 27.3.2003).

⁴ Subs. by the Second Amendment Regulation, 2003, reg. 2.1, for “(vi) All existing interconnect agreements/arrangements as on date shall stand amended on 1st May, 2003 so as to conform to the notified framework of the IUC regime and these shall be submitted to TRAI for registration by 16th May, 2003, and for subsequent changes as per reporting requirement.” (w.e.f. 16.6.2003).

Section V

5. Reporting Requirement

(i) All service providers shall comply with the Reporting Requirement as defined in Section II in respect of Interconnection Usage Charges specified for the first time under this Regulation, as also all subsequent changes, subject to the provisions of paragraph 4(vi) above.

(ii) No service provider shall alter any Interconnection Usage Charge or any part thereof, without complying with the Reporting Requirement.

(iii) In respect of matters covered by the provisions of the Regulation, they shall have an overriding effect over any Regulations, Directions, Determinations, Orders of the Authority, Reference Interconnect Offers and existing Interconnect agreements/ arrangements between Service Providers.

Section VI

6. Review

(i) The Authority may, from time to time, review and modify Interconnection Usage Charge.

(ii) The Authority may also at any time, suo moto, or on reference from any affected party, and for good and sufficient reasons, review and modify any Interconnection Usage Charge.

Section VII

7. Explanatory Memorandum

This Regulation contains at Annex A, an explanatory memorandum to provide clarity and transparency to matters covered under this Regulation.

Section VIII

8. Interpretation

In case of dispute regarding interpretation of any of the provisions of this Regulation, the decision of the Authority shall be final and binding.

By Order
(DR. HARSHA VARDHANA SINGH)

SCHEDULE – I
Origination & Termination Charges per minute for LONG DISTANCE Calls i.e. Inter-SDCC Calls Routed through one or more TAXs

Amount in Rupees per minute payable to	Cost in Rs. Per minute for	Intra-Circle (Above 50 and up to 200 Kms)	Intra-Circle (Above 200 Kms)	Inter-Circle (Above 50 and up to 100 Kms)	Inter-Circle (Above 100 and up to 200 Kms)	Inter-Circle (Above 200 and up to 500 Kms)	Inter-Circle (Above 500 Kms)
Originating Access Provider							
(a) Fixed	Origination	0.15 for Inter-Circle and 0.25 for Intra-Circle	0.50	0.50	0.50	0.50	0.50
	Differential ADC	Nil	0.50	0.50	0.50	1.25	2.00
	Uniform ADC	Nil	0.50		1.50		
	Total at Originating end with differential ADC	0.15 for Inter-Circle and 0.25 for Intra-Circle	1.00	1.00	1.00	1.75	2.50
	Total at Originating end with uniform ADC	0.15 for Inter-Circle and 0.25 for Intra-Circle	1.00		2.00		
(b) WLL (M)	Origination						
Forbearance							
(c) Cellular	Origination						
Terminating Access Provider							
(a) Fixed Line	Termination	0.15 for Inter-Circle and 0.25 for Intra-Circle	0.50	0.50	0.50	0.50	0.50
	Differential ADC	Nil	0.50	0.50	0.50	1.25	2.00
	Uniform ADC	Nil	0.50		1.50		
	Total at terminating end with differential ADC	0.15 for Inter-Circle and 0.25 for Intra-Circle 0.15	1.00	1.00	1.00	1.75	2.50
	Total at terminating end with uniform ADC	0.15 for Inter-Circle and 0.25 for Intra-Circle	1.00		2.00		
(b) WLL (M)	Termination	0.50					
(c) Cellular	Termination	For calls from Basic Service Rs 0.30 per minute in Metro and Rs. 0.40 per minute in Circles and NIL Incoming Air Time					

SCHEDULE - II

SCHEDULE FOR CARRIAGE CHARGES FOR LONG DISTANCE CALLS

Distance Slabs	0 to 50 kms.	50 to 200 kms.	200 to 500 kms.	Above 500 kms.
Transit Carriage Charge per minute in Rs.	0.20	0.45	0.75	1.10

Notes: Following issues are relevant for all the Schedules in the Regulation

- 1. National / Intra-Circle Long Distance Carrier has to pay the Origination and Termination Charges as per Schedule I in addition to the recovery of his transit charge for call carriage on his network. Difference between Retail Tariff and IUC, i.e., mark-up may be shared between the operators involved in call carriage and origination/termination.**
- 2. For Intra-circle calls between Fixed Networks and Cellular Networks, Schedule III is applicable. For Intra-circle calls between WLL (M) Networks and Cellular Networks, Schedule IV is applicable. Generally in Metros, the call hand-over is at Tandem Exchanges and in case of Circles at Trunk Automatic Exchanges (TAXs).**
- 3. For all Inter-network Inter-circle calls and intra circle calls above 50 Kms, Schedule I is applicable.**
- 4. The category “Metro” is defined for places where Cellular Mobile Operator has a Metro License.**

SCHEDULE – III

**SCHEDULE FOR INTER-NETWORK INTRA-CIRCLE CALLS BETWEEN FIXED
AND CELLULAR**

TABLE – A

**(METRO NETWORKS : Call Charges Rs. 1.20 per 90 seconds for calls originating
from Fixed Line of Basic Service Network.)**

	Direction of call	
	FIXED TO CELLULAR MOBILE	CELLULAR MOBILE TO FIXED
IUC for Origination per minute in Rs.	Residual	Tariff Forbearance
IUC for Termination per minute in Rs.	0.30	0.50

TABLE – B

**(CIRCLE NETWORKS : Call Charges Rs. 1.20 per 60 seconds for calls
originating from Fixed Line of Basic Service Network.)**

	Direction of call	
	FIXED TO CELLULAR MOBILE	CELLULAR MOBILE TO FIXED
IUC for Origination per minute in Rs.	Residual	Tariff Forbearance
IUC for Carriage per minute in Rs. through TAX	0.20	0.20
IUC for Termination per minute in Rs.	0.40	0.60

SCHEDULE IV

**SCHEDULE FOR INTER-NETWORK INTRA-CIRCLE CALLS BETWEEN
WLL (M) AND CELLULAR**

TABLE – A

(METRO NETWORKS)

	Direction of call	
	WLL(M) TO Cellular Mobile	Cellular Mobile TO WLL(M)
IUC for Origination per minute in Rs.	Tariff Forbearance	Tariff Forbearance
IUC for Termination per minute in Rs.	0.30	0.30

TABLE – B

(CIRCLE NETWORKS)

	Direction of Call	
	WLL(M) TO CELLULAR MOBILE	CELLULAR MOBILE TO WLL(M)
IUC for Origination per minute in Rs.	Tariff Forbearance	Tariff Forbearance
IUC for Carriage per minute in Rs. through TAX	0.20	0.20
IUC for Termination per minute in Rs.	0.40	0.40

SCHEDULE V

**SCHEDULE FOR INTER-NETWORK INTRA-CIRCLE CALLS BETWEEN
WLL (M) AND FIXED LINES**

TABLE – A

(METRO NETWORKS)

	Direction of call	
	Fixed TO WLL (M)	WLL(M) TO Fixed
IUC for Origination per minute in Rs.	Residual	Tariff Forbearance
IUC for Termination per minute in Rs.	0.30	0.50

TABLE – B

(CIRCLE NETWORKS)

	Direction of Call	
	Fixed TO WLL (M)	WLL (M) TO Fixed
IUC for Origination per minute in Rs.	Residual	Tariff Forbearance
IUC for Carriage per minute in Rs. through TAX	0.20	0.20
IUC for Termination per minute in Rs.	0.40	0.60

SCHEDULE – VI

Schedule for International Long Distance Calls

Access Deficit Charge for both Incoming as well as Outgoing Calls from Inter-national Long Distance Calls shall be Rs. 5.00 per minute. In addition origination/ termination charges of Rs. 0.50 / 0.50 per minute shall be payable to BSO. Carriage Charges to NLDO as per Schedule II shall also be applicable. In addition ILDO is required to pay towards settlement rates for Outgoing and incoming traffic between India and distant countries to the distant International carriers. Difference between Retail Tariff and Wholesale Tariff, i.e., IUCs paid for origination/termination and carriage of calls on the national network and the international settlements paid to foreign operators may be shared through mutual negotiations.

SCHEDULE – VII

FIXED TO FIXED LOCAL CALLS BETWEEN TWO BASIC SERVICE PROVIDERS

Termination Charges of Rs. 0.25 per minute shall be applicable for the Intra SDCA Local calls, which are originating and terminating in the same SDCA between Fixed to Fixed lines.