



Ideal Market Research

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To
The Chairman,
Telecom Regulatory Authority of India,
New Delhi.

18/12/2014

Subject: TRAI's Consultation Paper dated 19.11.2014 on Interconnect Usage Charges

Sir,

It is understood that TRAI has sought comments on the Issue of revision of Interconnect Usage Charges presently implemented amongst various mobile phone operators. This initiative of TRAI is appreciated and would also like to share my thoughts on same for your consideration.

TRAI has been instrumental in the past in developing competition in the telecom sector and now we find multiple operators competing in the market to offer services to the customers. However, of late we find that since last 5 years the operators who have been inducted have not been able to push down the retail tariffs and customer is left to whims and fancies of the tariffs offered by the few major operators as others have no option but to follow them. Customers are looking to TRAI to do something about it but action by TRAI is yet to be seen.

Indian telecom sector is witnessing high termination charges which are taking away major chunk of revenues of new operators who could have been otherwise instrumental in developing the competition. The termination charges for domestic calls paid by one operator to another are as high as 40% of the tariff paid by the customers. This seems to be unreasonable burden on the customers as they have to pay this extra money to their mobile phone service providers which are to be paid to the called mobile telephone's service provider.

In place of prescribing exorbitantly high termination charges as at present the TRAI should remove this anomaly in interconnection charges and prescribe a Bill & Keep regime for domestic traffic. This will enable customer tariffs to be reduced and resulting in high mobile phone traffic which will make both customer as well as operators benefitted out.

Government has introduced changes in telecom policies so that telecom services are available to all citizens with maximum coverage and at affordable prices but this internal IUC regime with high termination charges is holding this developmental work from extending benefits to the customers. TRAI needs to





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step in urgently to bring at the termination charges at bare minimum of the order of 1% of customer tariff and preferably prescribe it to Bill & Keep regime to make its implementation as simple as possible and to gain further cost savings on same.

Looking forward to a favourable response.

With kind regards,

Yours sincerely,



Praveen Gupta
(Director)