

Letter No - TRAI/017/2014

Institute of Research & Media Study



(An N.G.O. involve in multy social activities)

Date : 06 / 12 / 2014

To
The Chairman,
Telecom Regulatory Authority of india,
Government of india,
New Delhi- 110002.
Subject: The Interconnection Termination Charges regime need revision

Dear Sir,
India presently follows the regime of Calling Party Pays (CPP) as introduced by the Telecom Regulatory Authority of India (TRAI) in 2003. Under this regime, interconnection termination charges are paid by the mobile operator on whose network the call originates to the operator on whose network the call terminates. The regulation governing these charges was last amended in the year 2009 when TRAI reduced the termination charges to a blanket 20 paisa per minute.

In 2011, the Authority in its report to the Honourable Supreme Court proposed removal of termination charges. In doing so, TRAI admitted prevalence of asymmetries in the domestic calling traffic flows among new and incumbent operators and concluded that a two-year period would be provided for ironing out such asymmetries and a new system, the Bill and Keep (B&K) regime, would be implemented in third year from the year of submission of report.

The Authority further conceded that the move to reduce the fee had been opposed by incumbent operators as they stand to lose some proportion of their revenue. This opposition to the move was well expected but removal of termination fee would definitely benefit the overall market. From the consumer point of view, lower termination charges would result in lower tariffs if operators pass on the proposed reduction in charges. On the other side, service providers would also benefit since they will be able to retain that part of the revenue which is currently paid as termination fee.

After your decision to reduce the termination charges, three years have already been passed but no action seems to be forthcoming from TRAI. In view of the above we request you to intervene in the matter immediately and introduce zero termination charge regime without any further delay. Removal of these charges would not only lie in line with the central government's push for maximising governance by reducing intervention but would also aid in meeting the expected goals of the Digital India campaign.

Looking forward to hear from you.

Thanking you.

With regards,

Pampa Singha Roy
Secretary

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