

"SAURAVA"

SOCIAL ASSOCIATION FOR UPLIFTMENT OF RURAL AREAS AND VOLUNTARY ACTION

Regd. Office : At. - Rayankapatana, P.O. - Alipingal, P.S./Dist. - Jagatsinghpur - 754103, ODISHA

R.F.No - SAURAVA/105/15202



Letter No. ___/TRAI/12/2014

Dated (Date) (Month), 2014

To

The Chairman,
Telecom Regulatory Authority of India,
Government of India,
New Delhi - 110002.

Subject: Interconnection Termination Charges need to be reassessed

Dear Sir,

India's economic model is based on domestic consumption. The consumer class forms the mainstay of most of the economy's sectors and industries. One such industry is telecom. The industry was opened for private players in the late 1990s and since then has remained on an uptrend with significant strides made in technological and affordability aspects. Though, technological improvements also supported this rise but the major driver was the conducive legislation(s) which was amended from time-to-time, as and when the need arose. These 'timely' amendments include the 2003- regulation on Interconnection Usage Charges (IUCs) regime which introduced the system of Calling Party Pays (CPP) and the regular revision of the same. Last sincere efforts towards the revision of this regulation were made in 2009 when TRAI reduced termination charges, a significant component of the IUC, to a uniform 20 paise a minute. The network on which a call originates is obliged to pay this fee to the network on which the same call terminates so as to compensate for the usage of latter's bandwidth.

This amendment, then followed a report submitted by the Telecom Regulatory Authority of India (TRAI) to the Honourable Supreme Court (October, 2011) wherein the Authority calculated these rates by employing four different methodologies. On such basis, the resultant IUCs ranged from Rs. 0.1 per minute to Rs. 0.19 per minute. However, the regulator concluded in favour of adopting the Bill and Keep regime in the third year following the submission of this report. It recommended adoption of Pure LRIC method during the gestation period of two years so that the market could adapt necessary settings before the full implementation of the B&K system.

It is disappointing to note that even after showing such a steep inclination towards B&K system, the Authority has been silent since the last 3 years. Last month, it then floated a 'consultation paper' asking for further suggestions on switching to B&K regime. We would like to bring to your kind notice that the regulator in its 2011 affidavit clearly explained the supremacy of B&K regime over others:

P.T.O

Secretary
SAURAVA
11/12/14

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"The B&K or sender-keeps-all is a model of interconnection pricing in which the originating service provider keeps the revenue billed, i.e. there remains no room for termination charges. Removal of termination charges benefits consumers and competition and reduces the imbalance in traffic flows. This system encourages flat-rate billing and time differentiated charges, both of which helps in improving capacity utilization and lie in direct interest of consumers. It also reduces the inter-operator off-net traffic imbalance, and thus helps in convergence to an equilibrium situation."

Under such light, we fail to understand the delay in the implantation of the B&K regime. Had the regulator be neutral or pro-consumers, the regime would have already been in place, which is certainly not the case. Even after being aware of pros of the B&K system and cons of the current system, the Authority has not taken any concrete decision yet. We request you to kindly intervene in the matter and steer the regulator away from favouring the industry players and more towards the consumers so that the B&K regime may be adopted at the earliest for the betterment of the general public.

Thanking you.

Warm Regards,


Secretary
SAURAVA