

14th October 2019

To

Advisor
Broadband and Policy Analysis,
TRAI

Sir,

Subject : - Comments on Consultation Paper on Review of Interconnection Usage Charges

We are a 25 year established Consumer Voluntary Organisation. We offer our comments on the issues that were posed in the consultation paper on Review of Interconnection Usage Charges.

Yours Sincerely,

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Secretary
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Issues for Consultation

Q1: Is there a need to revise the applicable date for Bill and Keep (BAK) regime i.e. zero mobile termination charge from 01.01.2020? If yes, then what parameters should be adopted the alternate date? Give your suggestions with justification.

Yes.

There is a definitely a need to revise the applicable date for Bill and Keep (BAK) regime i.e. zero mobile termination charge to a later date.

As clearly the information on the current status of Indian market indicates that there are a large number of subscribers who having phones NOT 4G capable. This can be due various reasons like Cost of the Phones, Non availability of 4G network. However there are two factors that needs highlighting.

1. All Subscribers (current and future) want or need 4G. This is a fallacious conclusion as pushing all subscribers to switch to 4G or later on 5G defeats one of the primary purpose of regulation, that of the consumer right to choose. This is analogous to asking people to buy cars as these provide faster transportation instead of bicycles. Various segments of consumers may want phones for certain purposes and if the service provider are willing to offer them, the regulator should not object. One segment would be the school and college going students, whose parents would be interested only a phone connection and not data which could be used to access the internet and social media. The regulator should be neutral as to the consumer choice and not push for a particular technology. It should allow market forces(consumer choice) to determine the way forward.

2. All Subscribers (current and future) have the capacity to pay for the basic bundled plan. Presently the subscribers pay around Rs. 150 per month. This is a considerable amount of money if we consider that is to be paid for each member of the family. For a family of 4 is could be a sizeable sum. Further with increasing phone addiction a social malaise this could be many times more. A couple of years back the expenses around Rs. 20 per month for just voice usage. Due to manipulation of the market by the Service provider by bundling the offer has lead to the current situation. The Regulator having adopted an approach of light touch regulation, there is no unbundled offer by certain service provider. A consumer interested in only voice usage is now forced to buy a data plan. To cater to the bottom of the pyramid consumer there is urgent need for a suitable plan.

Keeping the focus on consumers rather than shareholders, we think the following are necessary,

1. Service provider migration to higher technology of 4G and Consumer migration to higher technology should be delinked.
2. There should be Plan or plans to take care to the bottom of the pyramid consumer. We should have an India Centric approach to technology usage.

The only parameter that should be considered is the willingness and the ability of the Subscriber/Consumer to migrate to 4G. In our opinion with the falling prices of hand sets most of the subscriber interested in moving to 4G should be doing by end of 2020. There would be still a sizeable number of consumer who would be interested in pure voice usage as mentioned.

So our suggestions are as follows:

- 1. The date when the BAK regime should be introduced is when 80% (or any other high level of market penetration) of the Subscribers in the country have switched to 4G. This we believe should happen by end of 2020.**
- 2. The Service Providers should have a definite plan to have 4G coverage all over (100% coverage) the country by this date. The plan of the service providers should be monitored by the Regulator.**
- 3. All service providers should have a basic pure voice plan which should be common across all the service providers to avoid unhealthy and pernicious competition. This could be Rs. 25 to Rs 50 for unlimited calls to all numbers. This is provide freedom to choose for consumers at the bottom of the pyramid.**

Q2: Any other issue related with the domestic wireless termination charges.

The regulator has exercised the right judgement in reviewing the Interconnection Usage Charges despite strong backlash from Telecom service provider. This is necessary to safeguard the interest of consumers and also retain the independence of the Regulator. However there has been a delayed response to the Service providers not migrating to 4G. This calls for stricter monitoring.

The IUC is a cross subsidization of the consumer/subscriber at the bottom of the pyramid and hence to be retained for a longer period as mentioned in the comments to Q1.