

Ref: ENGF/MISC/2019/03

Dated: October 10, 2019

To

Dr P. K Mishra
Principal Secretary to Hon'ble Prime Minister of India
Prime Minister Officer, South Block
Government of India, New Delhi

Sub: Telecom sector policies on Interconnection Usage Charges

Hon'ble Sir,

We would like to bring to your kind notice that

1. In 2011, TRAI had published a consultation paper on IUC and thereafter filed its recommendations in an affidavit in the Hon Supreme Court in October 2011 following detailed consultations and public hearings.
2. In the 2011 Affidavit TRAI had recommended to reduce the IUC to 10 p in 2012 and thereafter to zero in 2 years upon being convinced that the IUC should be reduced over a period of time to zero – also known as 'Bill and Keep regime'.
3. TRAI had listed out numerous advantages of lower IUC and Bill and Keep regime i.e (i) improved capacity utilization leading to lower telecom tariffs (ii) generally in the interests of consumers, (iv) IUC acts as a barrier for reducing tariff. If IUC is removed there will be tariff innovations leading to lower tariffs. Over 7 years later, the recommendations are yet to be fully implemented, though consumers have been looking out for the complete roll-out.
4. It is agreed that IUC was reduced by TRAI to 6 paise a minute from 14 paise a minute in 2017 with an announcement by TRAI that it will become zero starting January 1, 2020, based on the view that costs incurred by operators will drop. TRAI also agreed in 2017 that the move to cut IUC was justified at a time when communication apps are becoming more popular, leading to a reduction in voice traffic.
5. We are surprised to understand that TRAI has come out with another round of consultation process on the subject titled "Issues related to Interconnection Regulations" and perhaps intend to continue with IUC regime which we feel is uncalled for and anti-consumer decision. We are also confident that the continuance of IUC regime will affect the vision of

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Hon'ble Prime Minister on "DIGITAL INDIA" and his recent speech in Bostan (USA) that "DATA IS NEW GOLD".

6. We would like to mention that TRAI had of the view that while on the one hand a lower termination charge benefits the consumer, it does not have a negative effect on the telecom operator because it is open to the operator to recover whatever cost it incurs through the retail tariffs, subject to competitive market conditions.

Therefore, the proposed consultation process is uncalled for and may have been positioned to benefit few telecom operators. We do not agree with the view that the move will impact industry revenue at a time when telcom companies are already bleeding and would hurt their ability to invest in creating all-IP or next-generation networks. This widespread use of mobile communication technology to achieve gains in social objectives has been a cornerstone of the present Indian government's 'Digital India' drive.

Hence there is a need to keep costs to end consumers as low as possible. Much to the detriment of consumer interest, IUC acts as a barrier to reduction in Tariffs. Therefore, we request you to take up the issue and initiate the process of introducing Bill & Keep policy for larger interest of the country.

Thanking you

With Regards

Yours sincerely


Dr. Ashish Srivastava
Chairman



Copy marked to

1. Hon'ble Minister, Telecommunications & IT, Government of India, New Delhi
2. The Chairman, Telecom Regulatory Authority of India, Government of India, New Delhi