



HUMCARES

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Balancing & Honouring Lives

To

Shri. Ravi Shankar Prasad,
Minister of Telecommunications and IT,
Sanchar Bhawan, Ashok Road,
New Delhi – 110 001

Subject: Deferring Bill and Keep, could be perceived as an anti-consumer move by the government

Sir,

We would like to draw your attention to TRAI's recent consultation on reviewing the Interconnection Usage Charges (IUC) floated on 18th September 2019. As per 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19th September 2017, notified by TRAI, effective 1st October 2017, IUC payable between telecom operators was reduced from 14 paise to 6 paise. Further IUC between telecom operators was scheduled to be abolished from 1st January 2020 onwards. This is also known as Bill And Keep (BAK).

As per TRAI's the explanatory memorandum of the aforesaid regulation, BAK will help in:

- (i) reducing consumer tariffs,
- (ii) encourages competition and
- (iii) leads to adoption of more efficient technologies.

The relevant extracts from the explanatory memorandum of 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19th September 2017 are reproduced below:

"46.The Authority is of the view that termination charges work as disincentive to deployment of new technologies such as VoLTE and migration to IP networks by operators. Moving towards BAK will encourage adoption of latest technologies and the deployment of IP-based telecom networks. Since IP based networks are poised to be the networks of the future for providing telecom services, a BAK regime should be seen as a natural facilitator for the development of technology."

"47. Accordingly, The Authority is of the view that in case the present regime of costbased domestic termination charge is continued for long, it would hamper the movement of the sector towards (i) deployment of more efficient technologies; and (ii) more innovative and customer friendly tariff offerings; and, in turn, it would be detrimental to the growth of telecommunication services sector. In case, a TSP continues to get a cost-oriented termination charge estimated on the basis of yester-years' network technology (such as 2G or 3G), where is the incentive for him to migrate towards a more efficient network technology (such as 4G) requiring capital investments in short-run."

"50. It has been observed that reducing termination rates has benefitted consumers and enhanced competition. Going the full distance i.e. reducing terminating rates to zero by introduction of the BAK

