

ATITHI

Social Development Organization

(Regd. Under Societies Registration Act of XXI, 1860, Regd. No. 61782/2008)

A Ministry of Love & Compassion

Letter No. ___/TRA/12/2014

Dated (Date) (Month), 2014

05, Dec, 2014

To

The Chairman,

Telecom Regulatory Authority of India,

Government of India,

New Delhi - 110002.

Subject: Interconnection Termination Charges need an urgent revisit

Dear Sir,

Interconnect charges are the fee mobile operators pay one another for using their networks for originating, carrying and terminating calls. These charges, which include top rates of 20 paise a minute in termination fees and 65 paise a minute for carrying STD calls, account for about 75% of the total cost of a mobile call. Initiating its first review of these charges since 2009, TRAI said the launch of the services by new operators and the introduction of per second billing had made it "necessary to have a re-look" at these charges. The TRAI even said many operators do not have problem in doing away with termination charges altogether and the Authority sought wider inputs on the feasibility of a "zero termination charge".

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 noted that it will take another two years for these anomalies in traffic flows to converge to some form of equilibrium between new and old operators 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 B&K system eliminates the termination charges in entirety and is the best-fit as per the criterion defined by the TRAI: "the design of the IUC regime needs to balance disparate interests so that investments in network expansion and upgradation are incentivized while at the same time enhancing competition and consumer interest."¹

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,


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¹ "Consultation Paper on Interconnection Usage Charges", TRAI (November, 2014)