Janadhikar Samanavya Sewa Sansthan

Letter No. 923 /TRAI/12/2014 Dated -7/12/2014

To

The Chairman,

Telecom Regulatory Authority of India,

Government of India,

New Delhi - 110002.

Subject: Revision of Interconnection Termination Charges

Dear Sir,

This is in reference to the long-pending issue of reviewing the present interconnection termination charges.

Network interconnection and call termination charges is a fee that a service provider pays to other operators for connecting and completing voice calls on their networks. The Telecom Regulatory Authority of India (TRAI) introduced this system in 2003 under the Calling Party Pays regime aimed at providing a simpler revenue sharing mechanism among various operators. Initially the charges varied from 15 paisa per minute to 50 paisa per minute before the same was reduced to a blanket rate of 20 paisa per minute in 2009. While doing so, the Authority expressed the need to improve and streamline the IUC regime.

However, reducing the fee (even to a uniform rate) leaves much room for improvement. Termination charges, even at 20 paisa a minute, distort the market in more than one way. In presence of enormous disparities in calling traffic, especially in off-net inbound calling, between the incumbents and newer operators, such charges enable the incumbents to exploit their market dominance and prevent others from reaping benefits of the larger customer base. Moreover, these charges act as a 'price-floor' for setting retail tariffs and thus, artificially inflate the same. In 2011, TRAI also expressed similar reservations and concluded to adopt the Bill and Keep (B&K) regime in early 2014 but the same is yet to see day's light.

We would like to remind the Authority of its acceptance of the benefits that two of its amendments regarding termination charges entailed for the wider market. The first was related to its first alteration regarding carriage charges (2006) whereby TRAI decided to reduce and limit the same by imposing a ceiling. In its own words, *"the reduction in the carriage charges provided a strong basis to service providers to reduce long-distance tariffs and offer a uniform STD tariff"*[1]. More recently, the regulator, in May 2013, issued new norms imposing five paisa as termination charge on each transactional short message service (SMS) and two paisa on each normal SMS on operators from whose networks the message originates. The new regulation - Short Message Services (SMS) Termination Charges Regulations, 2013 - came into effect in June, 2013. Before this, the termination charge on SMS was under forbearance. The positive impact of the decision was felt directly on the consumers in the form of reduced tariff for the service.

Under this light, we request you to kindly take appropriate measures at the earliest. Eliminating termination charges in totality by adopting the B&K regime would not only resolve technical and regulatory bottlenecks for the telecom industry but would also entail benefits for the mainstay of the industry, i.e. the consumers, in terms of wider choice(s) and reduced tariffs.

Looking forward to hear from you.

Thanking you.

Warm regards,

JAN SAMANAYVYA SEVA SANSTHAN

Laxmi Dhar Dubey
(General Secretary)

Village- Charauwa (Bhagahee),Post-Kotha (Chandapur),Thana-Wazirganj,Distrct-Gonda-271124.
Mobile. No.:-09838258712,Email address:-officemail.jsss@gmail.com