



Shri Akhilesh Kumar Trivedi

Advisor (Networks, Spectrum and Licencing)

Telecom Regulatory Authority of India

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### **Draft Response to the TRAI Consultation Paper on Definition of International Traffic**

The Quantum Hub (TQH) is a New Delhi based public policy consulting firm, and we work with development organisations, businesses, and policymakers on complex public policy problems in the dynamically evolving Indian ecosystem, across themes such as tech, gender, labour, urban development, climate change and more.

TQH welcomes this opportunity to present comments on the Consultation Paper on Definition of International Traffic (the “Consultation Paper”). The establishment of precise delineations between international traffic and domestic traffic within the telecommunications industry is expected to yield cost efficiencies and ease of doing business for companies operating in India due to the following reasons:

Firstly, the absence of definitions allows Telecom Service Providers (TSPs) to impose arbitrary tariffs, leading to an unpredictable pricing structure currently. By explicitly defining International Traffic, the potential for arbitrary tariffs charged by TSPs can be mitigated, ensuring stability and preventing unfair practices.

Secondly, a standardized definition of Domestic Traffic and International Traffic mentioned explicitly in license agreements will enhance the ease of doing business. It will provide stability in tariffs for SMS services, facilitating accurate billing, cost management, and reducing disputes. Moreover, aligning definitions with internationally recognized standards and classifications can also ensure harmonization and interoperability with global telecommunications networks. This alignment facilitates cross-border communication, data exchange, and collaboration, encouraging international investments and enabling multinational companies to operate seamlessly in the long-term. Finally, the cost savings accrued are eventually passed on to the end-consumers.

Please find below responses to specific questions:



## Response to Questions

**Q1. Whether it would be appropriate to define the term 'international traffic' in the telecommunication service license agreements as 'the international long-distance traffic originating in one country and terminating in another country, where one of the countries is India'? Kindly provide your response with a detailed justification.**

The definition put forth by TRAI could benefit from additional clarification in order to enhance comprehension and adherence. Presently, the wording of the definition exhibits circularity, thereby warranting a more nuanced approach. Please see our response to question two for our specific inputs.

**Q2. In case your response to the Q1 is in the negative, kindly provide an alternative definition along with a detailed justification.**

We would suggest the following definition for International Traffic:

*"Transmission of long-distance telecommunications traffic originating from the telecommunication networks of a telecommunication service provider located in one country and terminating in the telecommunication networks of a telecommunication service provider in another country, where one country is India."*

By employing this revised wording, the definition is presented in a more straightforward manner, clarifying the specific nature of international traffic and its association with India. This definition would be aligned with how the International Telecommunication Union (ITU) [defines](#) "International telecommunication Service". As per the ITU, 'International telecommunication service' is defined as "the offering of a telecommunication capability between telecommunication offices or stations of any nature that are in or belong to different countries".

The proposed definition also aligns with how other jurisdictions such as the [USA](#) and [China](#) define International Traffic.

**Q3. Since the terms 'Inter circle traffic' and 'Intra circle traffic' are already defined in the telecommunication service license agreements, whether there is still a need to define the term 'domestic traffic' in the telecommunication service license agreements? If yes, what should be the definition of the term 'domestic traffic'? Kindly provide your response with a detailed justification.**

Indeed, while the terms "inter-circle traffic" and "intra-circle traffic" are already well-defined in telecommunication service license agreements, it is equally important to establish a clear definition for domestic traffic. Such a definition would facilitate the differentiation of domestic traffic from international traffic, enabling effective oversight and compliance with relevant regulations. Moreover, a precise understanding of domestic traffic is crucial for the development and implementation of policies. By explicitly defining domestic traffic, TRAI can also safeguard consumers from unfair practices.



In alignment with our alternative definition for international traffic, we propose the following definition for domestic traffic:

*"Domestic traffic shall encompass 'inter-circle traffic' or 'intra-circle traffic' that originates and terminates exclusively within the territorial boundaries of India, taking place on the telecommunication networks of telecommunication service providers operating within the country."*

This formulation ensures a high level of clarity for both definitions, leaving no room for ambiguity or misinterpretation within the regulatory framework. Consequently, all forms of traffic can be categorized definitively as either domestic or international traffic.

**Q4. Whether there are any other issues/ suggestions relevant to the subject? If yes, the same may kindly be furnished with proper justification.**

In order to fully implement the new definitions incorporated into the telecommunication service license agreements, it is essential to direct TSPs to align their Codes of Practice (CoPs) with the definitions specified in the license agreements.

By issuing such directives, TRAI ensures consistency and coherence in the industry by harmonizing the operational guidelines of TSPs with the regulatory definitions. This alignment will facilitate effective implementation of the license agreements and promote compliance with the established definitions of international and domestic traffic.

We would like to thank TRAI once again for giving us this opportunity. We would be happy to furnish any further information, if required.

Thanks,

Sumeysh Srivastava,

Manager, Public Policy

The Quantum Hub