

# Telecom Regulatory Authority of India Notification

New Delhi, the 12th July 2002

No 409-10/2002-TRAI (FN)

In exercise of the powers conferred upon it under section 36 read with clauses (ii), (iii) and (iv) of sub section (b) of Section 11 (1) of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, to ensure effective interconnection between different service providers and to regulate arrangements amongst service providers of sharing their revenue derived from providing telecommunication services, the Telecom Regulatory Authority of India hereby makes the following Regulation.

## **THE TELECOMMUNICATION INTERCONNECTION (REFERENCE INTERCONNECT OFFER) REGULATION, 2002 ( 2 of 2002)**

### **Section I**

#### **1. Title, Extent and Commencement**

- (i) The Regulation shall be called "The Telecommunication Interconnection (Reference Interconnect Offer)" Regulation, (The Regulation).
- (ii) The Regulation envisages publishing of Reference Interconnect Offer (RIO) by the telecommunication service providers holding significant market power based on the Model RIO annexed hereto as annex 'B'. The RIO will stipulate the concerned service provider's terms and conditions on which it will agree to interconnect its network with the network of any other service provider seeking interconnection. The interconnection seeker may either accept this offer in full and enter into an Interconnection Agreement with the offerer i.e. the service provider on that basis or accept the offer pending execution of an Individualised Agreement after negotiations.
- (iii) The Regulation is in addition and not in derogation of the other existing Regulations/Orders on interconnection
- (iv) The Regulation shall be deemed to have come into force with effect from the date of its publication in the official Gazette.

### **Section II**

#### **2. Definitions**

In this Regulation, unless the context otherwise requires:

- (i) "Act" means the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000.
- (ii) "Activity" would mean and include any one or more of the following:
  - (a) Subscriber base
  - (b) Turnover
  - (c) Switching Capacity
  - (d) Volume of Traffic
- (iii) "Authority" means the Telecom Regulatory Authority of India.
- (iv) "GUIDELINES" mean the guidelines to RIO issued by the Authority and as amended from time to time.
- (v) "Interconnection" means the commercial and technical arrangements under which service providers connect their equipment, networks and services to enable their customers to have access to the customers, services and networks of other service providers.
- (vi) "Interconnection Provider" means the service provider to whose network an interconnection is sought for providing telecommunication services.
- (vii) "Interconnection Seeker" means the service provider who seeks interconnection to the network of the interconnection provider.
- (viii) "Order" means the order issued by the Authority pursuant to the powers granted to it under Section 11 (2) of the Act.
- (ix) "The Regulation" means The Telecommunication Interconnection (Reference Interconnect Offer) Regulation 2002.
- (x) "Regulations" mean the Regulations issued by the Authority pursuant to the powers granted to it under Section 36 of the Act.
- (xi) "RIO" means the Reference Interconnect Offer published by a Party prescribing conditions by fulfilling which other Parties would be entitled to obtain interconnection with its network.
- (xii) "Acceptance" means an acceptance of the terms and conditions contained in the RIO either unconditionally or conditionally.
- (xiii) Words and expressions used in the Regulation and not defined but defined in the Act shall have the same meanings as assigned to them in the Act.

## **Section III**

### **3. Reference Interconnect Offer**

3.1 A Service Provider with significant market power shall be required to publish within 90 days of issue of this Regulation, a Reference Interconnect Offer (RIO) describing inter-alia the technical and commercial conditions for interconnection based on the model RIO as at annex 'B' and the guideline as at annex "C", as modified from time to time, with the prior approval of the Authority. The RIO so published by the Service Provider shall form the basis for all Interconnection Agreements to be executed hereafter.

3.2 A published RIO may undergo any change only with the prior approval of the Authority. Interconnection Agreements are required to be entered into by and between all Service Providers based on the RIOs so published, provided, however, that by mutual agreement the two parties concerned i.e. the interconnection provider and the seeker may modify and/or add to the terms and conditions stipulated in the published RIO for entering into an Individualised Agreement.

3.3 A Service Provider shall be deemed to have significant market power if it holds a share of 30% of total activity in a licensed telecommunication service area. These Services are categorized as Basic Service, Cellular Mobile Service, National Long Distance Service and International Long Distance Service.

3.4 The Authority may review the guidelines from time to time.

## **Section IV**

### **4. General Provisions**

The services listed in the RIO, published by the Service Provider, shall contain various conditions as required to meet the interconnection requirements of public network operators after taking into account, the rights enjoyed by and the obligations incumbent upon each of these Service Providers.

## **Section V**

### **5. General**

If any dispute arises with regard to the interpretation of any of the provisions of the Regulation, the decision of the Authority shall be final and binding.

## **Section VI**

### **6. Explanatory Memorandum**

The Regulation contains at Annex 'A' an explanatory memorandum that explains the reasons for the issuance of this Regulation

(Harsha Vardhana Singh)

Secretary-cum-Principal Advisor

## **Annex - A**

### **Explanatory Memorandum**

Efficient Interconnection is a pre-requisite for sustainable competition. Interconnection Agreements are required to be executed between Service Providers interconnecting their Networks with each other. These include Basic, Cellular Mobile, National and International Long Distance Operators.

Internationally there is growing consensus for formulation of advance regulatory guidelines for establishing proper environment to facilitate interconnection. Availability of effective and expeditious interconnection is one of the most important factors in contributing to the growth of the telecom sector. Delay and disputes in the interconnection process hamper the growth and scuttle competition. With a view, therefore, to avoiding such incidences, a framework has been devised taking into consideration the practices followed in other countries as well as the situation in our country.

An accepted Regulatory principle in many countries is to ensure that the Service Provider with Significant Market Power publishes a Reference Interconnect Offer (RIO) stipulating the various technical and commercial conditions including a basis for Interconnect Usage Charges for Origination, Transit and Termination. Following these, the new entrants can seek Interconnection and agree upon specific usage based charges.

Taking into account the above practice and experience regarding interconnect issue, a model Reference Interconnect Offer (RIO) providing the basic framework has been prepared by the Authority in consultation with the service providers. Based on the given model, the Service Providers with Significant Market Power shall submit their proposed RIOs to the Authority for approval, which when approved by the Authority should be published. This will, thereafter form the basis for all interconnection agreements to be entered into by / and with the issuer.

The model RIO consists of Articles and Schedules and is accompanied by Guidelines. The model RIO, which is generic in nature, brings forth the various principles and elements involved in proper and effective interconnection. Schedules could be modified as per service requirements, mutually agreed charges and other items. Annexes could also be added as per requirements.

[Model Rio \(Annex - B\)](#)

[RIO Guidelines \(Annex - C\)](#)