

D.O.No. 9-14/2005-CN

Dated : 16th December 2005

Dear

Subject : Recommendations on Measures to Promote Competition in International Private Lease Circuits (IPLC) in India.

The matter regarding promotion of effective competition in the International Private Lease Circuits (IPLC) market in India has been under consideration of the Authority. It is observed that during the last 2-3 years Internet, BPO and IT Enabled Services market has been growing, making use of IPLCs, but the Broadband services, which also use IPLC, have yet to grow significantly. It was also observed that after opening up of ILD sector in 2002, some bottlenecks still existed which hampered the effective competition. TRAI has substantially lowered the tariff for IPLC segment by fixing a ceiling tariff effective from 29-11-2005. In order to give further fillip to this sector and also to accelerate the growth of ITES and Broadband in the country, it was felt necessary that issues impeding the effective competition in IPLC segment must be addressed so that cost of this critical input could be reduced further.

In this context Authority issued a consultation paper on 'Measures to Promote Competition in International Private Lease Circuits (IPLC) in India' in June 2005. As per its established practice, Authority conducted Open House Discussions to seek views of the stakeholders, user industries, consumer organisations and individuals on the various issues affecting competition in the IPLC market. After consideration of the submissions by the stakeholders, consumer organisations & others and also the analysing International best practices, Authority has finalised its recommendations.

The recommendations alongwith the consultation paper are enclosed for the consideration of Government.

These recommendations has also been placed on TRAI's website (www.trai.gov.in). The press release issued by TRAI on this is also enclosed.

With regards,

Yours sincerely,

(Pradip Baijal)

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