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Letter No. 162/TRAI/2014

To
The Chairman,
Telecom Regulatory Authority of India,
Government of India,
New Delhi - 110002.

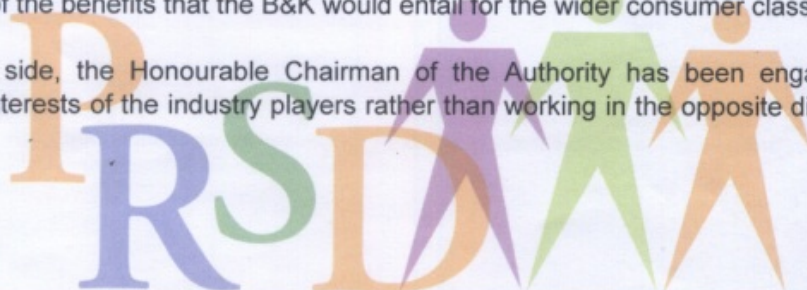
Subject: Reforming Interconnection Termination Charges in favour of consumers

Dear Sir,

Interconnect Termination Charges are the whole charges payable by the 'source' service provider, on whose network the call originates, to the 'destination' service provider on whose network the call terminates. The regulation governing these charges was last amended in 2009 wherein a uniform termination charge of Rs 0.20 per minute was prescribed and the same is continuing till date. After the Supreme Court intervention in 2011, the TRAI re-assessed the overall interconnection usage charges using different methods. The authority concluded that there should be a progressive reduction in termination charges finally converging to zero termination charges at the end of 2 years from November 2011. This move towards a zero termination charge was to be enabled by switching to the Bill and Keep (B&K) regime which necessitates removal of termination charges in totality.

It is not a new thing for the country to go through a considerable time lag before a regulation becomes a ratified action. But this case, pertaining to the removal of termination charges, commands special mention. The aforementioned 'progressive reduction' in termination charges was to be facilitated by initially adopting a Pure LRIC system which would have halved the termination fee to 0.10/minute in 2012 and then to zero in 2014. However, no guideline, let alone action, has yet been issued even after the completion of the stipulated time period. The above notification, regarding both the Pure LRIC system and the B&K system, hangs in limbo even when the regulator itself is well aware of the benefits that the B&K would entail for the wider consumer class.

On the flip side, the Honourable Chairman of the Authority has been engaged in promoting interests of the industry players rather than working in the opposite direction.



In a recent interview with a national daily¹, the Honourable Chairman, explained at length, the key issues of the industry players and batted for the side by expressing his concerns arguing for the government's "pro-industry policy" to be "put in place" soon. From the scarcity of airwaves, 3G spectrum, encouraging consolidation as per an operator's strategic interests, all the way to "getting DoT (Department of Telecommunications) to change its way of thinking", the interviewee sounded more like the head of an industry-lobby group rather than the head of the Regulator which was installed for "regulating" the industry while promoting consumers' interests. In whole of the interview, the one thing related to consumers that the Honourable Chairman spoke about was the 8-9% hike in the mobile call rates!

We would like to remind the Honourable Chairman that since taking the office (in May, 2012), he has done little in his capacity to encourage consumer welfare and has always remain pro-industry. However, we plead you to kindly provide your conscious efforts in implementing the B&K regime at the earliest. This relief will not only result in pushing the consumers' welfare upwards but will also help the Government of India in achieving (or at least enhancing) Shri Modi's vision of Digital India through the various benefits the B&K regime entails for the wider market, as also conceded by the TRAI. We request your good-self to kindly help n transferring the fruits of technology to the general public (consumers).

Thanking You.

Warm Regards,

Poonam Gupta
(Director)

Director

Copy to:

- 1). Hon'ble Prime Minister, Government of India
- 2). Hon'ble Minister,
Telecommunications and Information Technologies,
Government of India

¹ "Mobile tariffs may rise by 8-9%: TRAI Chairman R. Subrahakrishnan", Times of India (August 1, 2014) (available at <http://timesofindia.indiatimes.com/tech/tech-news/Mobile-tariffs-may-rise-by-8-9-Trai-chairman-R-Subrahakrishnan/articleshow/9406664.cms>)