October 18, 2019

Shri S.K. Singhal,
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Telecom Regulatory Authority of India (TRAI),
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Re: Comments to the responses on Telecom Regulatory Authority of India (TRAI)'s consultation paper dated September 18, 2019 on "Review of Interconnection Usage Charges"

Dear Sir,

This has reference to the Consultation Paper on Review of Interconnection Usage Charges dated September 18, 2019 issued by the Regulator. Dua Consulting is pleased to provide counter comments in support of the specific issues where some of the stakeholders have contrary views.

We hope that our comments will merit the kind consideration of the Regulator and will assist the Regulator in formulating its Recommendations on this issue.

Yours sincerely,

B.K. Syngal
Senior Principal
Dua Consulting

Re: **Comments by Dua Consulting on the Consultation Paper dated September 18, 2019 on "Review of Interconnection Usage Charges".**
From: **Dua Consulting**
Date: **October 18, 2019**

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1. Introduction

TRAI's consultation paper dated 18th September 2019 on "Review of Interconnection Usage Charges" ("**Consultation Paper**") provides a background on the current framework of Interconnection Usage Charges ("**IUC**") in India, introducing the Bill and Keep regime ("**BAK**"), which makes effective zero termination charge from January 1, 2020 which was prescribed in 2017 based on the possible change in technology to packets switch technology, and as in incentive step towards 4G based networks.

It may be noted that the Authority has received representations from stakeholders through their representations for introducing BAK from January 1, 2020 stating that while the TSPs have done significant investments in the 4G networks, the same has not resulted in migration of all their customers to VoLTE and balancing of off-net traffic between all operators.

Kindly refer to Clause 2, for a summarised timeline for Interconnection Usage Charges, and Clause 3 for our comments on the highlighted issues as given in the Consultation Paper.

2. Timeline on Interconnection Usage Charges

- Beginning from 2001, TRAI started issuing/making directions/ regulations which were amended from time to time and were also subject to judicial review.

- TRAI issued its first Telecomm Tariff Order in 2003, clearly spelling out access, carriage and termination charges. These IUC rates were first revised in 2004 where TRAI recommended flat charges of Rs 0.30 per minute irrespective of distance. The same rates were again revised in 2009; they were pushed further down to Rs 0.20 per minute for local and national long-distance voice calls to fixed line and mobile.

- The domestic call termination charges were further revised in 2015 to Rs 0.14 per minute for wireless to wireless calls and 0 paisa for calls involving wire line telephony at either end of communication.

- Subsequently, the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated 19.09.2017 brought down wireless to wireless domestic call termination charge to Rs 0.06 per minute, effective from 1/10/2017 to 31/12/2019.

- It further prescribed Bill and Keep (BAK) regime i.e. zero termination charge, effective from 1/1/2020 for domestic call termination.

3. Issues for Consultation

3.1 *Is there a need to revise the applicable date for Bill And Keep (BAK) regime i.e. zero mobile termination charge from 01.01.2020? If yes, then what parameters should be adopted to decide the alternate date? Give your suggestions with justification.*

With the slow take-off of LTE technology, symmetry still remains in favor of the incumbents, any implementation of BAK will then leave the other TSPs at a serious disadvantage. The assumption on which the future date of the application of BAK was decided has not been met, and the Indian Telecommunications market remains premature to stick to that date. While rates should be the prerogative of the regulator, as long as inconsistency of the incoming and outgoing ratios is skewed, the question to come to BAK has not been arrived at yet.

Disruption in the marketplace by adopting anti-competitive strategies and creating a third party (consumers) is not fair completion and we would be constrained to say is one of the reason of the present poor state of health of the telecom market. This disruption has been carried out due to several factors like lower spectrum charges, by covering a data carrying spectrum into voice carrying spectrum.

Therefore, we are of the strong opinion that the applicable date for bill & keep regime, for example, mobile termination charge needs to be re-looked at and any date for such implementation should only be taken after a thorough study of the traffic and a fair and healthy completion. The thrust of this document appears to be based on a premise that migration to long term evolution technology of packet switching removes imbalance in traffic.

Following form the above, if the calling party has more data flowing into called party network, they should pay for such a data as is the case when there are imbalances in a circuit switch environment is a fallacy to say that in the packetized environment, there are no imbalances and hence Bill &Keep should be adopted is misplaced.

It would be ideal to allow BAK when the traffic pattern is thoroughly studies and imbalances are minuscule, and the telecom service providers are able to unanimously agree to the practice of zero termination charges.

3.2 *Any other issue related with the domestic wireless termination charges.*

Any new date to implement Bill & Keep should only be considered after studying the data flow/ call flow & imbalances thereof. It would be in the interest of all the players if they introduce packetized calling (LTE) which results in a more optimal use of various resources, thereby benefitting the consumers. It remains unclear to us as to how packetizing is likely to reduce the imbalance. In the packetized environment, there could be imbalances because of the quantum of data flowing between various networks or different pricing schemes charged to the customers by different telecom service providers.

Rather than measuring minutes originated and terminate, a better outlook at measurement would be the number of packets generated and received. This may be prudent, because, in case of packet network utilization is optimal; a customer is not holding the circuit unlike in the case of the existing system of circuit switch where the network remains engaged.