



# HUMCARES

(Human Care Charitable Society)

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Balancing & Honouring Lives

To

Shri. Ravi Shankar Prasad,  
Minister of Telecommunications and IT,  
Sanchar Bhawan, Ashok Road,  
New Delhi – 110 001

**Subject: Deferring Bill and Keep, could be perceived as an anti-consumer move by the government**

Sir,

We would like to draw your attention to TRAI's recent consultation on reviewing the Interconnection Usage Charges (IUC) floated on 18<sup>th</sup> September 2019. As per 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19<sup>th</sup> September 2017, notified by TRAI, effective 1<sup>st</sup> October 2017, IUC payable between telecom operators was reduced from 14 paise to 6 paise. Further IUC between telecom operators was scheduled to be abolished from 1<sup>st</sup> January 2020 onwards. This is also known as Bill And Keep (BAK).

As per TRAI's the explanatory memorandum of the aforesaid regulation, BAK will help in:

- (i) reducing consumer tariffs,
- (ii) encourages competition and
- (iii) leads to adoption of more efficient technologies.

The relevant extracts from the explanatory memorandum of 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19<sup>th</sup> September 2017 are reproduced below:

"46. ....The Authority is of the view that termination charges work as disincentive to deployment of new technologies such as VoLTE and migration to IP networks by operators. Moving towards BAK will encourage adoption of latest technologies and the deployment of IP-based telecom networks. Since IP based networks are poised to be the networks of the future for providing telecom services, a BAK regime should be seen as a natural facilitator for the development of technology."

"47. Accordingly, The Authority is of the view that in case the present regime of costbased domestic termination charge is continued for long, it would hamper the movement of the sector towards (i) deployment of more efficient technologies; and (ii) more innovative and customer friendly tariff offerings; and, in turn, it would be detrimental to the growth of telecommunication services sector. In case, a TSP continues to get a cost-oriented termination charge estimated on the basis of yester-years' network technology (such as 2G or 3G), where is the incentive for him to migrate towards a more efficient network technology (such as 4G) requiring capital investments in short-run."

"50. It has been observed that reducing termination rates has benefitted consumers and enhanced competition. Going the full distance i.e. reducing terminating rates to zero by introduction of the BAK

regime would help in immediately realizing these benefits. **The Bill and Keep regime will encourage flat rate billing and time differentiated charges, both of which will improve capacity utilization and will be in the interest of consumers. It will also reduce the inter-operator offnet traffic imbalance, and thus could help in convergence to an equilibrium situation.**"


The role of the TRAI's is to ensure the healthy growth of the telecom sector as well as look after the interests of the consumer who is the ultimate beneficiary of the services provided by the TSPs. However, by seeking to defer the deadline for shifting to BAK, it appears that the TRAI is tilting towards a particular telecom operator that holds maximum spectrum, has done little to upgrade its network, is reluctant to move its consumers to IP based services and continues to provide services using inefficient out-dated technologies.

IP based technologies are far more efficient and provide better quality of services. Operators that have deployed the latest technologies are providing quality services at a much lesser cost. Deferring BAK is in effect, an incentive to continue with out dated technologies and avoid investments in networks. As a consequence, the cost payable by the consumer on that network will be higher.

TRAI recently disrupted the tariff structure of Cable TV and DTH, the inordinate increase in the tariffs has led to a severe anti-government sentiment. The public perception being that the government is favoring the corporates at the cost of the ordinary consumer. Deferring BAK, could be viewed by the public in a similar light.

As per industry estimates, the per subscriber IUC cost is Rs. 18/- per month, this translates to a cost of Rs. 216/- per year. BAK could result in a saving of Rs.216/- for each customer, therefore, we request the government to stick to the schedule and bring in BAK from 1<sup>st</sup> January, 2020 onwards.

With regards,  
For Human Care Charitable Society

  
Member  
Governing Board



**Copies to:**

Shri. P.K. Mishra, Principal Secretary (PMO)

✓ Shri. R.S. Sharma, Chairman, TRAI