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Advisor (Broadband and Policy Analysis)
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg
New Delhi-110002

Subject: RCOM response to TRAI Consultation Paper " Review of Interconnection Usage Charges "

Dear Sir,

Kindly find enclosed herewith RCOM response to TRAI Consultation Paper "Review of Interconnection Usage Charges"

It is requested that same may kindly be taken on records.

Thanking you,

Yours sincerely,

For **Reliance Communications Limited**

Amit Mathur
Executive Sr. Vice President

Encl.: as stated above

Please reply to: Mr. Amit Mathur, Executive Sr. Vice President
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Comments on TRAI Consultation Paper on "Review of Interconnection Usage Charges"

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Reliance Communications Ltd welcomes opportunity extended to comment on the issue of International Termination charges under the captioned consultation paper.

RCOM's specific comments on issues raised in the consultation paper are given below:

Q1. Keeping in view the changes happening in the international telephony market structure, is there a need for change in the existing regulatory regime for International Termination Charge (ITC) i.e. change the existing regulatory regime from fixing uniform rate of ITC to an alternate approach? Kindly justify your comments with supporting arguments.

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Q2. If your response to the Q1 is affirmative, then what should be the alternate approach? Kindly elucidate the alternate approach and benefits of the same vis-à-vis the present approach.

RCOM Resp:

The Indian ILDOs are facing the challenges of sustenance due to low revenue margins. In addition the ILDOs also have to bear the brunt of the exchange rate fluctations as well as long payment cycles in the international market.

The Government and the Regulator has been helping out the Access service providers who are facing the low margins, similar help is needed specially for the ILDOs who do not have access to a large captive access network.

Apart from the issues of imbalance in incoming and outgoing traffic , grey market operation and traffic shifting to OTT voice application, interest of standalone ILDO needs to be taken into consideration while deciding any regime on ITC.

RCOM suggests that any differencial charge above the Domestic Termination Charge should be mandated to be distributed between ILDO and access provider in the ratio of 60:40.

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If such distribution of differential revenue is not mandated by TRAI, it will lead to vertical squeeze in international traffic. This would mean that standalone ILDO would not be able to compete against the integrated service providers.

Q3. If your response to the Q1 is negative, then in the changing international telephony market structure, what other regulatory measures are required to be taken by the regulator for protecting the interests of Indian consumers and service providers? Kindly justify your comments with supporting arguments.

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Q4. Your comments on any other issue related with the international termination charges may also be given.

RCOM Resp:

The matter of reciprocal ITC have been highlighted in the CP , in this regard we suggest that TRAI should actively enagage with Regulators in major traffic exchange countries for making a low reciprocal arrangement for ITC between such countries.

This would help reduce the cost of outgoing ILD calls for Indian subscribers and also help to shift the traffic back from OTT to PSTN.