



To

Date :

The Advisor
Broadband and Policy
TRAI,
Mahanagar Door Sanchar Bhawan, Jawaharlal Nehru Marg
New Delhi-110002

Sub: TRAI's U-Turn on review of IUC regime may bring disrepute to Government.

Dear Sir,

As per TRAI's Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated 19.09.2017 popularly referred as IUC Regulations, 2017 brought down wireless to wireless domestic call termination charge to 0.06 per minute effective from 1/10/2017 to 31/12/2019. The regulation further set the target for "Bill And Keep" (BAK) regime i.e. zero termination charge, effective from 1st January 2020 for domestic call termination.

TRAI was of the view that by beginning of year 2020, all the operators will move to packet switched technologies and termination charges would be so small that there would be no need to fix the termination charges.

We are surprised to see the new TRAI consultation on "Review of Interconnection Usage Charges dated 18th September, 2019, wherein TRAI is seeking comments on extending the current IUC regime and pushing back to bill and keeping regime for another year.

World over most of the leading telecom operators have move to packet-based switch technology which efficient, fast, offer good quality in a cost-effective way. A three year old operator JIO have started with 4G services and could offer low cost good quality voice and data to the customers, whereas incumbent operators shown no urgency to upgrade their network and continue to offer 2G/3G services to their customers with same tariff.

Despite very large quantity of 4G spectrum held by incumbent operators, they have deployed much less number of 4G eNodeBs. Following table shows that incumbent operators did very little to migrate from 2G/3G to 4G

	Airtel	Voda-Idea	Jio
Total BTS	5,76,168	5,82,725	7,70,168
4G BTS	2,82,887	2,16,550	7,70,168
4G BTS%	49%	37%	100%

(15th September 2019 NEP data)

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Majority of the subscribers of incumbent operators are on 2G/3G networks whereas they hold maximum 4G spectrum. Airtel has 1588.90 Mhz spectrum and Voda-Idea holds 1636.90 Mhz. On the contrary Airtel's 4G subscribers are 37% and Voda-Idea 4G subscribers are 35% of their total subscriber base. It is evident that incumbent operators have not upgraded the network and deprived most of their customer for latest 4G technology and innovation.

TRAI's is current consultation on review of IUC is effectively rewards and incentivizes technological backwardness at the cost of consumers who pay for the out dated technologies as well as suffer low quality of service. As per industry estimates, a subscriber pays Rs, 18/- per month as IUC which translate Rs. 216/- per annum as a part of their tariff. Therefore, any delay in introducing BAK will make the subscribers continue to pay higher tariffs and also result in a slowdown in network infrastructure modernization by telecom operators.

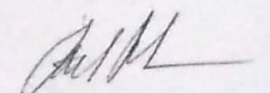
The little bit imbalance in traffic will vanish by the time Bill and Keep regime will come in to force. TRAI in its recommendations on IUC in 2017 stated that "after analyzing the effect of on-net and off-net tariff policies followed by various Telecom Service Providers (TSPs), the Authority also noted that the BAK regime will reduce the inter-operator off-net traffic imbalance, and thus could help in convergence to an equilibrium situation.

Government policies and regulations should be forward looking and must encourage usage of newer technologies which bring down the cost and provide better quality of services.

We, therefore, request you to please ensure that the bill and keep regime should not be postponed as it is in the interest of consumers and ensure the quick adoption of new technology across the country.

Best regards,

For Supreme Task


Authorised Signatory

