

SWAMI SIVANANDA MEMORIAL INSTITUTE

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

Letter No. 1011/TRAI/2014 Date.07/12/2014

Sub: Interconnection Usage Charges Needs Revision

Dear Sir,

With reference to your recent consultation paper 13/2014 document on IUC I have to state that despite the several efforts in the past by the TRAI it is not able to implement the policy to further reduce the interconnectivity charges and pass on the benefits to the consumers. The present policy on interconnectivity charges has become stagnant and non progressive in nature.

The time has come to look into the matter beyond interconnectivity charges regime and put India on fast track growth trajectory. To replace the interconnectivity charges regime the TRAI must look at the Bill And Keep (BAK) policy. Under this policy there is provision to completely remove the interconnectivity charges levied on the customers. The policy makers and industry associations across the globe are backing the case for zero or negligible termination rates. While propagating for the BAK policy I try to highlight the following benefits:

- It will induce next level of growth in the telecom sector
- It may ensure transparency in tariffs so that consumer can compare different companies' charges.
- Encouraging more firms to enter the market including the virtual mobile network operator
- Decline/removal of termination charges leads decline in customer tariff
- It appears that there is increase in usage due to price elasticity of demand

It is apparently clear that the BAK regime will bring fresh lease of air in the telecom industry which will be beneficial to all stakeholders whether customer, operators or new entrants. So, without further delay the TRAI must introduce BAK policy in the next 6 months to 1 year time.

With regards,

Yours sincerely.

