

MERA UPAY

(Reach to Un-reach)

Registered Under Society Registration & Delhi Govt. Act. XXI of 1860, Regd. No.6174

Regd. Office: B-32, Gali No.-28, Mahavir Enclave-11, New Delhi-110059

Ph.:-011-65651667 Mobile: 9971821667 E-Mail : meraupay@yahoo.com; jyotishsrichua@gmail.com

Pastor Jyotish Srichua

To
The Chairman
TRAI
Government of India
New Delhi

Sub: TRAI Consultation Paper and our response

Dear Sir,

Please find enclosed herewith our Comments on TRAI's Consultation Paper on Interconnection Usage Charges (IUC) dated 19th November, 2014. We represent the telecommunication subscribers and request that the Authority considers our comments and takes them into account while finalizing its views on this consultation paper in the interest of the general public at large.

At the outset we welcome the Regulator's Consultation Paper on Interconnection Usage Charges (IUC) dated 19th November, 2014 to progressively reduce the termination charges finally converging to Bill & Keep in the general interest of the public. TRAI needs to consistently promote competition and consumer interest. The Bill & Keep regime is long overdue as it had been discussed and deliberated even in the Regulator's Consultation paper on IUC in 2011 and is keenly awaited by the subscribers at large and it is imperative that it has been raised in the TRAI's Consultation Paper on IUC dated 19th November 2014 for comments of the public. This will have a direct bearing on the overall growth of telecom sector in the country and will enable convergence of next generation data and services.

Despite the fact that the number of telephone subscribers in India is 957.61 million as on 30th September, 2014, the policy measures initiated by Government to bring competition leave more to be desired in bringing further affordability to the consumers. The Bill & Keep regime would be a welcome step in the right direction to lead to benefits for the subscriber who is currently paying 40% of voice call bill towards termination charges alone.

Bill & Keep would ensure a well spread demand base which would check monopolistic trends thus benefiting the subscribers. Currently, the Service providers benefit, on account of monopoly, as the caller has no knowledge or control over the network of the called party. The Service Provider on whose network the call terminates benefits without any effort or value being provided to the subscriber. Bill & Keep would go a long way to check complacency in service levels.

Bill & Keep would ensure cost reduction due to elimination of the termination charges for subscribers, notwithstanding the benefits of additional competition. New entrants would also be enabled to be price competitive thus offering wider choice to the subscriber.

The Service providers would be required to compete on a level-playing field to ensure long-term benefit of subscribers. The subscriber would leverage benefits from increased competition. Service Providers would further compete in order to provide maximum benefit and value at minimum costs to the subscribers.



The savings made by the Service Provider on account of zero termination charges would be passed on to the Subscriber to ensure loyalty and increase demand in a highly price elastic market. The competition would be based on deliverables / package and services being offered to the subscriber rather than on cost of call due to a large chunk of the cost being on account of the termination charge. Service providers can offer free / cheaper voice / video calls and other value added services.

The price of off-net calls may be expected to drop considerably to the levels of on-net calls. Service Providers would be forced to provide customer-friendly tariffs and package services to provide better value for money.

Rural market, which is currently at 388.05 million, would tremendously benefit as the cost reduction would result in a manifold increase in the subscriber base. The subscriber would compare tariffs and choose a Service Provider providing the lowest rates and highest value. There is tremendous scope for increase of the rural market as rural tele-density currently is at a dismal 44%.

The Bill and Keep regime will help increase usage by subscribers. Additionally, this will make the market more competitive and enable consumers to receive innovative services from Service Providers. This would also reduce the effectiveness of potential collusion between certain Service Providers. The reduction ought to be from 2011, when the TRAI had recommended that the MTC should be brought down to 10 paise, which is yet to be implemented. Incumbent operators must be made to pass on the reduced MTC to the subscriber with retrospective effect (from 2011).

Global trends indicate that prices tend to be significantly higher in countries where there are high MTCs than in countries where MTCs are close to zero. It is not possible to provide large bundle of off-net minutes to subscriber with higher termination charges as there is a cost risk especially for new operators in offering large bundles of minutes. This will be eliminated by Bill & Keep. Significant lowering of termination charges would help to offer large bundle of minutes would result in fall in prices. This will also lead to a much higher average usage. Thus Bill and Keep would significantly benefit consumers, as prices are much lower and usage is significantly higher.

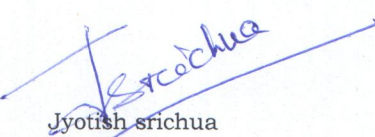
A Bill & Keep regime will enable innovation in India and lead to much faster take up of high speed wireless services and will truly create level playing field among the new and old operators which would mean a gamut of reasonably priced choice for the subscriber.

Therefore, Bill & Keep regime should be the TRAI's immediate goal in the interest of consumer through lower rates and increased competition.

TRAI needs to review other charges including Carriage Charges and Transit Charges along with MTC to ensure that the subscriber is benefitted at large. The current carriage charge ceiling of Re 0.65 per minute was notified in 2006 and have continued till date despite huge surge in traffic and subscriber base. The charges should be reduced for benefit of subscribers. Artificially inflated carriage charges prevent Service Providers from launching innovative new tariffs during off-peak hours. Reduction in carriage charges would ensure freedom to price service differentially in peak and off-peak hours.

Thanking you for giving an opportunity to give our view points on this crucial issue.

Yours Sincerely,


Jyotish srichua
Secretary.