



**Counter Comments  
to  
TRAI Consultation Paper  
on  
Review of Interconnection Usage Charges  
Released on August 05, 2016**

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1. As highlighted by us in our response to the Consultation Paper, we believe that the Regulator needs to consider following key issues before determining the Interconnect usage Charges (IUC):
  - Network Externality - if a mobile network acquires a new customer then there is a social benefit conferred on the entire network.
  - Network Expansion Objectives - future network roll-out into less profitable areas.
  - Investment Incentives – Encourage operators to invest further.
2. Thus, there is a need for the Regulator to ensure that the IUC regime adopted is based on cost and work done principle, which creates a suitable environment for further investments in the sector.
3. In its response to the Consultation paper one of the stakeholder has submitted that as per media reports some of the operators through COAI are campaigning for increase in the IUC.
4. In this regard, we would like to submit that COAI has always held the view that Interconnect charges should be determined on **cost based and work done principle**. Interconnection usage charges should be arrived at by using a robust cost based model, which includes all costs and justifies investment for expansion of service.
5. COAI has maintained its stand that IUC needs to be determined by taking into account all the internationally accepted cost elements.
6. Further, one of the stakeholder in its response has submitted that with the deployment of NGN and migration of networks to IP, the cost of deploying the network has decreased drastically hence there is strong case of making termination charge to be zero. In this regard, we would like to submit that in a CPP regime, irrespective of any technology, whether TDM/circuit switched or packet switched, the terminating operator that is not charging its customers for the incoming call needs to be mandatorily compensated by the originating operator. Therefore, a

change in technology in an originating network cannot be a trigger for any change in the termination charge.

7. Also, as highlighted by us in our response to the Consultation Paper following issues cannot be trigger for initiating this Consultation Paper:
  - a. Proposed Fixed Mobile Telephony service of M/s BSNL- To determine how voice calls travelling on public internet should be treated from the perspective of termination charges.
  - b. Termination charge when call is terminating into Internet telephony network.
  - c. Whether the MTC estimated for networks having circuit switch RAN would still be applicable on networks with Packet switch RAN.
8. In conclusion, we would once again like to reiterate that our **member operators support and recommend that Mobile Termination Charge should be determined on the cost based principle**. Only Reliance Jio has a divergent view and is of the view that Bill & Keep approach should be adopted for determining MTC; while one of our members, Aircel, has not provided their comments on the issue.

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