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FEDERATION OF CONSUMER AND SERVICE ORGANIZATIONS

Promoted exclusively to deal with the pressing issues..

(Regd. No.CAG/01/2016 as a Consumer advocacy group with TRAI)

No.5, 4th Street, Lakshmipuram,
Tiruchirappalli – 620 010. T.N. State .

The Chairman,
Telecom Regulatory Authority of India,
New Delhi – 110 002.

26th, Aug., 2016

Kind attn. - Shri Arvind Kumar, Advisor
(Broadband & Policy Analysis)

Dear Sir,

Sub: Our (CAG of TRAI) suggestion in consultation paper on Review of
Interconnection Usage Charges – reg.

We most respectfully submit the following as our suggestions in this consultation
paper for your kind perusal and consideration in the larger interest of telecom
consumers of our Nation:

Issues for Consultation

In view of the recent technological developments in the telecommunication services
sector, which of the following approaches is appropriate for prescribing domestic
termination charge (viz. mobile termination charge and fixed termination charge) for
maximization of consumer welfare (i.e. adequate choice, affordable tariff and good
quality of service), adoption of more efficient technologies and overall growth of the
telecommunication services sector in the country?

- (i) Cost oriented or cost based termination charges; or
- (ii) Bill and Keep (BAK)?

Please provide justification in support of your response.

**Ans. BAK is preferred since it is easier for the callers and no confusion regarding call
termination charges.**

Q2: In case your response to the Q1 is 'Cost oriented or cost based termination
charges', which of the following methods is appropriate for estimating mobile
termination cost?.

- (i) LRIC+ (ii) LRIC, (iii) Pure LRIC –

Ans. Not applicable; presently this will be applicable since this is the cheapest and basic cost recovery is ensured.

Q3: In view of the fact that the estimates of mobile termination cost using LRIC method and LRIC+ method yielded nearly the same results in year 2011 (as filed in the Hon'ble Supreme Court on 29.10.2011) and in year 2015 (as estimated for the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated 23.02.2016), would it be appropriate to put to use the estimates of mobile termination cost arrived in the exercises of year 2011 and year 2015 in the present exercise?

Ans. NO

Q4: If your response to the Q3 is in the negative, whether there is a requirement of running the various LRIC methods afresh using the information on subscriber, usage and network cost for F.Y. 2015-16 for estimation of mobile termination cost?

Ans. YES

Q5: In what manner, the prescription of fixed termination charge as well as the mobile termination charge from wire-line networks as 'zero' through the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 is likely to impact the growth of the Indian telecommunication services sector as a whole? Please support your viewpoint with justifications.

Ans. Just like petrol bunks the customer knows how much data he has used at that particular sitting and accumulation without zero is misleading confusing. Many will not remember or recollect the previous readings. So termination charge from ZERO will lead to confidence build up as well as ensure transparency to a higher degree.

Q6: Whether termination charges between different networks (e.g. fixed-line network and wireless network) should be symmetric?

Ans. YES.T SHOULD BE SYMMETRIC.

Q7: Which approach should be used for prescribing International Termination Charge in the country? Should it be kept uniform for all terminating Networks?

Ans. SHOULD BE KEPT UNIFORM FOR ALL TERMINATION CHARGE IN THE COUNTRY.

Q8: Whether, in your opinion, in the present regulatory regime in the country, the stand-alone ILDOs are not able to provide effective competition owing to the presence of integrated service providers (having both ILDO and

Ans. YES

Q9: If your response to the Q8 is in the affirmative, which of the following approach should be used as a counter-measure?

(i) Prescription of revenue share between Indian ILDO and access provider in the International Termination Charge; or

(ii) Prescription of a floor for international settlement rate (levied by ILDO upon the foreign carrier) for international incoming calls; or

(iii) Any other approach (please specify)

Please provide justification in support of your response.

Ans.PRESCRIPTION OF A FLOOR FOR INTERNATIONAL INCOMING CALLS.

Q.10 Ans. THE INTERNET CHARGES SHOULD BE BROUGHTDOWN FOR HIGHER BUSINESS VOLUME AND THUS HIGHER REVENUE FOR THE CONCERNED SERVICE PROVIDERS.

Ans. The regulator is striving to take good initiative to provide better service to the consumers, the transparency in terminating charges and other issues will work out favourably to both. While on the subject, these types of consultations may be made available through posting in all the regional languages, for getting wider views comments, considering at present, the telecom services are reaching out to the grass root levels

Thanks and regards.

**M. Sekaran.
President.**