RELIANCE

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RCL/TRAI/LT/19-20/5977
18th October -2019

Shri Sunil Kumar Singhal,
Advisor (B. B. & PA)
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg
New Delhi 110002

Subject: R-COM response to TRAI Consultation Paper "Review of Interconnection Usage Charges"

Sir,

Kindly find enclosed herewith R-COM response to TRAI Consultation Paper "Review of Interconnection Usage Charges"

It is requested that same may kindly be taken on records.

Thanking you,

Yours sincerely,
For, Reliance Communications Limited.

Amit Mathur
Exec. Sr. Vice President
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Encl: As above

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Comments on TRAI Consultation Paper
on
"Review of Interconnection Usage Charges"

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Reliance Communications Ltd welcomes opportunity extended to comment on the above captioned consultation paper.

RCOM's specific comments on issues raised in the consultation paper are given below:

Q1: Is there a need to revise the applicable date for Bill And Keep (BAK) regime i.e. zero mobile termination charge from 01.01.2020? If yes, then what parameters should be adopted to decide the alternate date? Give your suggestions with justification.
Q2: Any other issue related with the domestic wireless termination charges

RCOM Response:

IUC Regulation-2017 should continue to hold and there is no need to revise the applicable date for implementation of BAK for Mobile termination.

The incumbent operators who are opposed to BAK regime have already recovered the cost of legacy deployed infrastructure. Most of their licenses have already been renewed while the remaining are nearing the renewal in the next couple of years.

The difference in the cost of carrying the voice over legacy 2G/3G network and VoLTE network has become negligible as can be seen from the tariff plans being offered by the operators. All operators including incumbents are offering plans with unlimited voice minutes. The rationale of using the 2G/3G RAN in carrying the voice traffic for continuing the termination charges, therefore is baseless. Device ecosystem (83% LTE capable devices) has also evolved.

In the current regime, incumbent operators are able to transfer recovery of part of their operational costs to the competitors in form of termination charges. Instead of continuing with such a legacy regime, a scenario wherein the termination charges are zero (BAK), each operator has to factor in his operational costs within the tariff itself thereby providing a competition enriching environment. Thus, Bill & Keep leads to creation of an egalitarian telecom regime which negates the possibility of cost recoveries from competition.

Further extension of applicable date for BAK regime will act as deterrent in adoption of new technology even if we consider the argument of cost difference in 2G/3G RAN and VoLTE RAN. Once the incumbent can continue to recover part of its operational cost from the competitors, there will be less incentive to adopt new technologies.

We are also surprised by the review called by Authority **just before three months of the implementation** date. It has spread a negative message of regulatory uncertainty in Indian Telecom Industry. A TSP considers the regulatory environment while forming their future strategies for any market. Any revision in applicable date will have overall negative impact. The regulatory uncertainty will further shake the confidence of current and prospective investors.

In the light of above submission, we opine that there is no need to revise the applicable date for BAK for mobile termination. BAK regime for mobile termination should be made applicable as per the IUC-Regulation 2017 which is with effect from 01.01.2020.