

# **Telecom Regulatory Authority of India**

## **PRESS RELEASE No.101/2005**

**Dated : 16<sup>th</sup> December 2005**

**Subject :** TRAI Releases Recommendations on Promotion of Competition in International Private Lease Circuits (IPLC) segment.

### **1. Background :**

TRAI has released its recommendations on the issues relating to Promotion of competition in International Private Lease Circuits (IPLC) segment today. After the opening up of ILD sector in March 2002, effective competition has not taken place in the IPLC market due to various impediments and the price of IPLC has not come down sufficiently as desired. TRAI had already specified a ceiling tariff substantially lower than the market price for IPLC, which became effective w.e.f. 29-11-2005. In addition it initiated a consultation process to address issues related to effective competition in this segment.

### **2. Salient Features of Recommendations:**

- i) Entry Fee & Annual License Fee: - No change in view of recent downward revision by Government.
- ii) Resale for IPLC to be permitted w.e.f. February 2007 i.e. after 5 years of opening up of ILD sector for competition and existing license conditions of ILDO license to be suitably amended. The Retail-minus wholesale price and terms & conditions for resellers to be fixed by regulator through a consultative process
- iii) Equal ease of access to bottleneck facilities at Cable Landing Station (CLS) and permission for landing of new cables to be mandated without any time limit. The license conditions to be accordingly modified to enable the regulator to issue requisite regulation.

- iv) International cable carriers to be allowed to terminate cable capacities on existing cable landing stations and to provide IPLC to ILD operators. Such carriers to be licensed with the Government as International Infrastructure Providers without any Entry fee and annual revenue share.

It is expected that through such steps various bottlenecks persisting in the IPLC segment would get addressed to facilitate effective competition in this segment.

These recommendations have also been placed on TRAI's website ([www.trai.gov.in](http://www.trai.gov.in)).

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