



Interconnection TRAI &lt;interconnection.trai@gmail.com&gt;

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## Debate on Interconnection Usage Charges in Telcom Sectors

1 message

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To

**Shri P K Mishra,**

Principal Secretary to the Prime Minister

Government of [India](#), [South Block](#), [\(Rajpath\)](#), [Raisina Hills](#), [New Delhi-110011](#)

Respected Sir

With regard to recent debate on continuance of Interconnection Usage Charges (IUC) in telecom sector, we are of the opinion that scrapping IUC would help preserve **competitiveness** in the telecom sector.

As TRAI points out, in a market with asymmetric traffic flows, termination charges set at higher levels than cost become a source of revenue for operators who terminate more traffic on their networks (usually incumbents and larger operators). On the other hand, it is an item of cost for small operators and new entrants.

We view that newer policies such as Bill and Keep method (BAK) would help preserve competition, it added. BAK entails net IUC payment as zero. Here, each network agrees to terminate calls from the other network at no charge.

For example, when a Jio subscriber makes a call (originator) to an Airtel subscriber (receiver) or vice versa, as per the agreement between Jio and Airtel, there will be no charges either way.

It thus effectively ensures that no Telecom Service Provider recover its costs of operations from competitors and, thereby, would enable greater competition in the sector.

In the above context, we request you to instruct TRAI to abolish IUC policy and replace this with Bill and Keep policy which entails net IUC payment as zero paise.

Thanking you.

Looking forward to your involvement for larger interest of the country.

With regards

Yours faithfully  
Jai Singh Rawat

Cc

1. Shri Ravi Shankar Prasad

Hon'ble Minister, Ministry of Communications & IT

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