



नवजीवन सोसायटी

19, शर्मा कॉलोनी, 22 गोदाम, जयपुर - 302019

क्रमांक:-प06/न.जी.सो./2019/ 1106

दिनांक:- 14.10.2019

To,

Shri. P.K. Mishra
Principal Secretary
Prime Minister's Office,
South Block,
New Delhi - 110 001

Subject: Request for adherence to Bill and Keep regime as scheduled (i.e. January 1, 2020) in 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19th September 2017'

Sir,

We would like to draw your attention to TRAI's recent consultation on reviewing the Interconnection Usage Charges (IUC) floated on 18th September 2019. As per 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19th September 2017, notified by TRAI, IUC payable between telecom operators for call termination was reduced from 14 paise to 6 paise from 1st October 2017. Further Bill and Keep (BAK) is scheduled to be effective from 1st January 2020.

BAK has several beneficial effects on the industry, as discussed in the extracts from the explanatory memorandum of 'The Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017' dated 19th September 2017, reproduced below:

"46.The Authority is of the view that termination charges work as disincentive to deployment of new technologies such as VoLTE and migration to IP networks by operators. **Moving towards BAK will encourage adoption of latest technologies and the deployment of IP-based telecom networks. Since IP based networks are poised to be the networks of the future for providing telecom services, a BAK regime should be seen as a natural facilitator for the development of technology.**"

"47. Accordingly, The Authority is of the view that in case the **present regime of costbased domestic termination charge is continued for long, it would hamper the movement of the sector towards (i) deployment of more efficient technologies; and (ii) more innovative and customer friendly tariff offerings;** and, in turn, it would be detrimental to the growth of telecommunication services sector. In case, a TSP continues to get a cost-oriented termination charge estimated on the basis of **yester-years' network technology (such as 2G or 3G),** where is the incentive for him to migrate towards a more efficient network technology (such as 4G) requiring capital investments in short-run."

"50. It has been observed that reducing termination rates has benefitted consumers and enhanced competition. Going the full distance i.e. reducing terminating rates to zero by introduction of the BAK regime would help in immediately realizing these benefits. **The Bill and Keep regime will encourage flat rate billing and time differentiated charges, both of which will improve capacity utilization and will be in the interest of consumers. It will also reduce the inter-operator offnet**

नवजीवन सोसायटी

19, शर्मा कॉलोनी, 22 गोदाम, जयपुर - 302019

क्रमांक:-प06/न.जी.सो./2019/

दिनांक:-

traffic imbalance, and thus could help in convergence to an equilibrium situation."

The role of the TRAI's is to ensure the healthy growth of the telecom sector as well as look after the interests of the consumer who is the ultimate beneficiary of the services provided by the TSPs. However, by seeking to defer the deadline for shifting to BAK, it appears that the TRAI is tilting towards the incumbent telecom operator who have done little to upgrade their networks. They are reluctant to move their subscribers to IP based services and continue to provide services using inefficient and out-dated technologies.

The said operators hold the maximum amount of spectrum, however, they have deployed 4G BTS in less than half of their networks. i.e. Voda-Idea's deployment is 37% and Airtel's deployment is 49%. Together they have the maximum number of subscribers on their networks, however only 29% and 37% of their respective subscribers have migrated to 4G and the remaining subscribers continue on 2G/3G services.

IP based technologies are far more efficient and provide better quality of services. Operators that have deployed the latest technologies are providing quality services at a much lesser cost. It is a known fact, that the technologies deployed by them are inefficient and therefore the subscribers on those networks are required to pay more for being served by these networks. As highlighted in the extracts from the explanatory memorandum of TRAI's regulation as quoted above, operators will be reluctant to invest in the latest technologies simply due to revenue incentives like IUC. Any deferment in BAK will only encourage the incumbent operators not to upgrade their networks so that they continue to get revenues on account of IUC.

As per industry estimates, the per subscriber monthly IUC is Rs. 18/-, therefore a subscriber pays Rs. 216/- annually as a part of the tariff. Therefore, any delay in introducing BAK will make the subscribers continue to pay higher tariffs and also result in a slowdown in network infrastructure modernization by telecom operators.

Globally, 5G trials are being conducted, while in some countries 5G networks have already been deployed. India is already a late entrant in 5G, as it has not yet begun trials. The networks of the incumbent operators require serious modernization to roll out 5G, rescheduling BAK will further encourage operators to delay investments in modernizing their networks.

We request the government to bring about Bill And Keep (BAK) as per the schedule i.e. 1st January, 2020 as this will be in the best interests of the consumers as well encourage modernization of the telecom infrastructure for a truly digitally enabled India.

With regards,

Ry

Copies to:

1. Shri. Ravi Shankar Prasad, Minister of Telecommunications and IT
2. Shri. R.S. Sharma, Chairman, TRAI