DG/COAI/REG/2025/1063

29 December, 2025

Shri Sameer Gupta
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Nauroji Nagar,
New Delhi – 110029

Subject: **COAI counter-comments to the TRAI Consultation Paper on "Review of existing TRAI Regulations on Interconnection matters".**

Dear Sir,

This is with reference to the TRAI Consultation Paper on "Review of existing TRAI Regulations on Interconnection matters" issued on 10th November 2025.

The counter comments for the said Consultation Paper are to be submitted by 29th December 2025.

In this regard, please find enclosed COAI's counter comments to the said Consultation Paper.

We hope that our submissions will merit your kind consideration and support.

Thanking you,

Sincere regards,

Signed on: 29-12-2025 20:31:19
Digitally Signed by:
Lt Gen Dr SP Kochhar
DG
COAI
Signature Valid From: 2025-02-22 10:45:32
Valid To: 2026-02-22 10:45:32

Lt. Gen. Dr. S.P. Kochhar, AVSM**, SM, VSM, ADC, KIGA
Former Signal Officer in Chief, Indian Army
Fellow IETE, Fellow AIMA, Member IEEE, Sr. Member CSI

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Copy to:

1. Shri Atul Kumar Chaudhary, Secretary, TRAI, Tower F, World Trade Centre, Nauroji Nagar, New Delhi – 110029.

2. Shri Sheo Bhadra Singh, Pr. Advisor (NSL), TRAI, Tower F, World Trade Centre, Nauroji Nagar, New Delhi – 110029.

COAI's counter comments to the TRAI Consultation Paper on "Review of existing TRAI Regulations on Interconnection matter"

We thank the Authority for providing us the opportunity to share the counter comments to the Consultation Paper on "Review of existing TRAI Regulations on Interconnection matter".

A. LSA Level interconnection

1) ***One of the stakeholders has stated that in case, the Interconnection at LSA level is made default by the Authority then it can be done in a phased manner with LDCA level connectivity (already shifted from SDCA connectivity recently) after 5 years. Also, if LSA level connectivity is proposed then BSNL should get compensation in lieu of cost incurred on maintaining the infra at LDCA level in terms of fixed cost of number of LDCAs, a LSA would cater to. This can be ensured by making a provision for revenue protection for 5 years for BSNL in terms of total charges levied for interconnection at LDCAs in case a TSP proposes to shift their POI for those LDCAs to LSA level.***

2) ***Some stakeholders have further stated to keep LSA-level interconnection as the primary standard but retain existing SDCA/LDCA POIs wherever they serve genuine consumer needs.***

COAI counter comments:

a. With regard to the above, we emphasise that LDCA-level interconnection has been in operation for a prolonged period and has been extensively utilised by all operators, during which BSNL has continuously levied and collected interconnection charges from TSPs. **As a result of this the operational costs of LDCA-level infrastructure have already been fully, if not more than adequately, recovered.**

b. Thus any demand for additional compensation for shifting to LSA level connectivity is unjustified and amounts to impermissible recovery, especially at a time when the regulatory framework is consciously steering the sector towards more efficient interconnection models. **Additional compensation for shifting to LSA level will also amount to a subsidy to one operator at the cost of other operators.**

c. Further, migration to LSA-level interconnection is not only technically superior but also economically rational for all stakeholders, including PSU operators. **Such migration would allow PSU operators to rationalise and retire ageing SDCA/LDCA infrastructure, much of which is nearing end-of-life,** thereby releasing capital and reducing maintenance overheads.

d. Lastly the **transition to LSA based interconnection will deliver clear and tangible consumer benefits**, including superior call quality, and enhanced service reliability.

3) ***Some stakeholders including the PSU Operator has suggested that it is recommended to move towards interconnection at a higher level on the basis of mutual agreement between operators in phased manner as lot of legacy network issues remain for BSNL. BSNL would need a minimum of 5 years for migration to the higher LSA level.***

COAI

COAI counter comments:

a. We strongly reiterate that continued reliance on the requirement of "mutual agreement" poses a serious and inherent risk of misuse, particularly by a large PSU operator with extensive legacy infrastructure. Given its structural advantages and legacy dominance, the PSU operator would have a clear incentive to invoke this clause to obstruct or delay migration to modern LSA-level, IP-based interconnection.

b. The "mutual agreement" condition can be strategically used by the PSU operator to impose unilateral and onerous terms, effectively compelling other operators to retain inefficient and cost-intensive legacy TDM interconnections. Such an outcome would undermine regulatory intent, impede technological progress, distort competition, and deny operators a fair and level playing field.

B. Mandating IP-based interconnection

4) ***One of the stakeholders has stated that Mandating IP-based interconnection is not required at present. IP based Interconnection is subject to the readiness and security of the TSPs network for IP connectivity. Can leave the same to mutual agreement.***

COAI counter comments:

a. We strongly reiterate that all major private TSPs have already migrated a substantial share of their interconnection to IP-based PoIs, in line with global best practices and regulatory objectives. Notably, even the PSU operator has invested in and deployed IP-TAX, Trunk Media Gateways, and NGN infrastructure. However, despite having the necessary technical capability, it continues to insist on maintaining legacy TDM-based interconnection arrangements with private operators. This selective adoption of IP architecture results in an inefficient and unjustifiable dual-network regime.

b. Such coexistence of IP and TDM interconnection creates persistent interoperability challenges, sub-optimal routing, and avoidable media conversions, leading to degraded call quality—particularly for VoLTE-to-VoLTE, adaptability of simplified models for CNAP, and video calls across networks. It also causes inefficient capacity utilisation, higher fault incidence, and significantly increased operational and maintenance costs for all operators.

c. Further, the PSU operator's continued practice of fragmented and distributed PoI provisioning for fixed-line services, despite operating a largely centralised and IP-enabled switching architecture, exacerbates delays in provisioning, complicates network planning, and undermines the very efficiencies that IP-based interconnection is designed to deliver. This approach directly contradicts the objective of network modernisation and imposes avoidable technical and financial burdens not only on private operators but also on PSU's.

d. **From a consumer perspective also, IP based interconnection will lead to benefits such as better quality, reliability, security, and India's long-term digital competitiveness.** Thus a IP based interconnection framework will ensure that consumers benefit from a truly modern, resilient, and future-ready telecom ecosystem. This has also been acknowledged by a consumer organisation in its response to the TRAI CP.

e. Hence, we submit that **TRAI must mandate migration to IP-based interconnection with centralized POIs at the LSA level, in a phase-wise manner. Further, TRAI should mandate doing away the charges for TDM interconnection for enabling adoption of IP interconnection..**

C. Surrender of POIs

5) ***With regard to surrender of POIs, BSNL has argued that the criteria and procedures for the surrender or closure of POIs should provide a structured exit mechanism, minimizing disputes, and maintain operational stability. It should include Minimum retention period (i.e. at least 24 months) before surrender. This is justified as substantial cost is incurred in provisioning & the part of that cost should get recovered before closure of POIs is entertained. Traffic reconciliation and final settlement of charges should be done before surrender request is entertained. Minimum 90 days of notice period of closure with advance payment should be mandated.***

COAI counter comments:

a. We submit that while a structured and transparent mechanism for surrender or closure of PoIs is desirable, **the conditions proposed by BSNL in its response to the TRAI CP are excessive, one-sided, and contrary to the principles of cost causation and reciprocity**. A mandatory minimum retention period of 24 months and a notice period of 90 days are unreasonably long and restrict the right to surrender, particularly in a dynamic market where traffic patterns, technologies, and regulatory mandates are rapidly evolving.

b. BSNL's argument of cost recovery is untenable, as PoIs have historically been provisioned and utilised under regulated interconnection charges through which costs have already been factored in and recovered. Further, linking acceptance of surrender requests to prior traffic reconciliation and final settlement of all charges creates scope for indefinite delay and abuse, as such processes are often prolonged.

c. Imposing advance payment and extended notice periods would unfairly lock private TSPs into paying for redundant or underutilised capacity, especially in the context of migration to LSA-level and IP-based interconnection. Instead, surrender timelines must be reasonable, time-bound, and symmetrical, with clear deemed-approval provisions to prevent any revenue protection by the PSU operator under the guise of operational stability.

d. The surrender request and its closure also should be monitored by TRAI on monthly basis.

D. Bank Guarantee

6) ***PSU operator (BSNL) wants that it should be allowed to continue to collect Bank Guarantee from the private Telecom Service Providers to secure its dues. It has***

been observed in the case of TSPs going to insolvency that Bank Guarantee collected by the circles from the TSP secured the pending dues from the TSP to some extent and the same was adjusted in the outstanding dues. As regards, collection of BG by private Telecom Service Providers from BSNL, the same is not recommended as BSNL is a state-owned PSU.

COAI counter comments:

a. We submit that interconnection arrangements must be governed by the principle of reciprocity and non-discrimination.

b. Interconnection is a license requirement which is further governed by TRAI Regulations and the interconnecting parties are licensees with huge financial commitments, thus, requiring BGs to secure interconnection-related payments seems superfluous.

c. Further, we reiterate that most of the Indian Telecom Service Providers are robust Pan-India network operators. Thus, the telecom sector has matured substantially, with well-defined insolvency, recovery, and regulatory oversight mechanisms already in place to safeguard dues.**.** Authority should mandate symmetric commercial terms across all operators – including the PSU operator – to ensure a level playing field, thereby recognizing reciprocity as a foundational principle for interconnection agreements.

E. SMS Termination Charge

7) ***One of the stakeholders has stated that SMS Termination charge should be cost-based and adhere to the "work done" principle. An operator, who have established only an SMSC (Short Message Service Centre) should not be compared with full-fledged Telecom Service Providers (TSPs) who have established large mobile networks (BTS /BSC/MSC) and should be liable to pay proportionately more termination charges.***

COAI counter comments:

a. We submit that the TRAI SMS Termination Charges Regulations, 2013 were specifically framed to bring uniformity, prevent anti-competitive pricing, and ensure fair and non-discriminatory access across all networks. Under these Regulations, SMS termination charges were determined on a cost-based approach and standardised at 2 paise per SMS, irrespective of the network size or business model of the operator.

b. The SMS ecosystem has functioned efficiently and without distortion under this regime for over a decade. There is no evidence of market failure, consumer harm, or competitive imbalance that would warrant a review or revision of SMS termination charges at this stage. **Thus, we submit there is no need for a regulatory intervention or change in SMS termination charges i.e. 2 paise per SMS as specified in** SMS Termination Charges Regulations, 2013 **and the same should stay at 2 paise per SMS.**

c. We further submit that introducing differentiated or asymmetric SMS termination charges based on network scale or infrastructure may lead to complexity and disputes. SMS termination charges must therefore remain uniform and symmetric in line with established regulatory principles

F. Deterrent Charge for A2P SMS

8) ***One of the stakeholders have requested the Authority to revise the maximum permissible SMS termination charge from 5 paise to 1 paise to enable wireline service providers to offer A2P SMS services on competitive and sustainable terms, restore parity between mobility and wireline operators and, promote healthy competition and innovation in enterprise messaging services.***

COAI counter comments:

a. We reiterate that A2P SMS termination charges warrant an upward revision in view of the substantial financial, technological, and human resource investments undertaken by TSPs to implement, operate, and continuously enhance the block chain-based Distributed Ledger Technology (DLT) framework mandated under the TCCCPR, 2018, which is central to preventing spam and protecting consumers

b. In our view, the commercial communication SMS charge (A2P SMS) should be increased to ₹0.10 per A2P SMS — cumulatively translating to ₹0.12 per SMS after including the existing ₹0.02 SMS termination charge

G. International Termination Charges (ITC)

9) ***Some stakeholders have stated that International Termination Charges (ITC) for international incoming calls to India is an International issue covering relationship with many countries request that this topic to be taken in a separate consultation paper.***

COAI counter comments:

a. We reiterate our view that, a review of International Termination Charges (ITC) in India is long overdue. Spam calls and fraudulent messages have escalated into a serious consumer harm, with fraudsters increasingly exploiting vulnerabilities in the international telecom ecosystem to target Indian users. Despite sustained efforts by TSPs and regulators—such as caller ID authentication, AI-based spam detection, the DLT framework, stringent KYC norms, and enhanced AI/ML-driven monitoring by DoT and TRAI—the volume of international spam and phishing continues to rise.

b. One of the most significant enablers of this misuse is India's abnormally low ITC regime, which makes it economically attractive for overseas operators and fraudsters to route large volumes of spam and scam traffic into India at minimal cost.

c. This artificially low ITC regime has multiple adverse implications. It facilitates large volumes of fraudulent calls targeting Indian consumers, increases the risk of financial scams, and undermines consumer trust in telecom services. It also results in revenue loss for Indian TSPs and reduces contributions to the Government Exchequer, placing India at an economic disadvantage compared to its peers.

d. To address this, we respectfully urge TRAI to revise the International Termination Charge (ITC) upwards to align with global benchmarks in this consultation only. We **reiterate our request for a significant upward revision in International Termination Charges (ITC) to Rs. 4.5/min.**

e. The above is also necessary because the international voice termination charges to and from India are settled in US dollars with global operators. In recent years, the sustained depreciation of the Indian rupee against the US dollar has substantially increased the effective cost of India's outgoing international termination, thereby exacerbating the financial burden on Indian operators.

f. Last but not the least, aligning India's ITC framework with global rates will ensure a secure ecosystem that prioritizes consumer protection. **Higher ITC will directly benefit the consumers leading to reduced exposure to financial fraud**.

H. Emergency Services

10) ***With regard to Emergency Services, BSNL has stated that a per call basis system may not give a clear direction as lot of resources are required for maintaining a system for routing of emergency calls received from other TSPs. As fixed costs keeps on increasing with normal inflation, hence existing cost structure should continue.***

COAI counter comments:

a. Emergency services are integral to public safety and constitute an essential public utility. Ensuring universal access to such services is a core obligation of all telecom service providers. In this context, regulatory intervention by TRAI is necessary to ensure that the provisioning of emergency services does not impose disproportionate or undue financial burdens on operators.

b. Historically, critical emergency services such as the Police, Ambulance, and Fire Departments relied on telecom infrastructure provided by the incumbent operator, the erstwhile DoT, which was the sole service provider at the time. Consequently, BSNL/MTNL inherited this responsibility and continue to support emergency services, including 100 (Police), 101 (Fire), 102 (Ambulance), 108 (Emergency Disaster Management), and others.

c. Despite the fact that emergency services are provided to customers free of charge, and despite the regulatory mandate for universal access, the PSU operator continues to levy excessive charges on private operators, both lump sum and per-call. These charges have escalated significantly over time.

d. TSPs are left with no alternative but to comply with BSNLs excessive charges. This places an undue financial burden on operators, compelling them to route emergency calls through BSNL at unjustified and unreasonably high costs.

e. In light of the above, we request **TRAI to prescribe NIL emergency charges to be applicable. In case it does not find merit with TRAI, cost-based IUC charges for emergency services on a per minute voice call basis may be prescribed. TRAI should also eliminate all other lump sum fees and charges levied by the PSU operator.**

f. Also, there should be a recommendation to the Government that overflow traffic should be allowed to be transited through any other TSPs based on mutual agreements. This will go a long way to address areas related to public emergencies.

I. Mandatory use of BSNL infrastructure and Services

11) ***BSNL has cited examples of other countries and has stated that in India too with PSU like BSNL having large Infrastructure may be similarly designated as Infrastructure provider and private TSPs mandatorily utilize BSNL infrastructure on payment basis for their services. In addition as PSU TSP, BSNL should focus primarily on providing telecom service to Govt. organizations, other PSUs and to meet government obligations.***

COAI counter comments:

a. We submit that the **suggestion to designate BSNL as a mandatory infrastructure provider for private TSPs is neither appropriate nor consistent with the existing licensing and regulatory framework in India.** The Indian telecom sector has evolved into a competitive, market-driven ecosystem with multiple private operators having independently created extensive and efficient infrastructure. Mandating the use of a single PSU's infrastructure would undermine competition, distort investment incentives, and reverse decades of sectoral reforms.

b. International examples cited by BSNL operate within country-specific regulatory and market contexts and cannot be transplanted wholesale into India's liberalised telecom environment. Further, BSNL already has the option to offer its infrastructure on a commercial, non-discriminatory basis under prevailing infrastructure-sharing and IP-I frameworks, which ensures choice and efficiency for all operators.

c. Further, while BSNL may have specific public service obligations as a PSU, this cannot translate into regulatory compulsion on private TSPs or preferential positioning of one operator over others. Any such approach would be contrary to the principles of technology neutrality, competitive parity, and level playing field upheld by TRAI.

d. Lastly, we submit that restricting or prioritising the provision of telecom services to Government organisations and PSUs exclusively in favour of BSNL is neither equitable nor consistent with the principles of a competitive and non-discriminatory telecom framework.

e. Licensed TSPs have made significant investments, amounting to billions of rupees, in infrastructure development and service enhancement, based on the premise of fair competition. Moreover, licensed private TSPs have invested heavily in acquiring spectrum through Government auctions. Any preferential treatment to whomsoever, therefore (including the PSU operator), risks distorting the competitive equilibrium that has taken decades to establish.

f. Excluding or restricting participation to BSNL alone may be detrimental to Government entities and PSUs, as it would limit their access to innovative choices, and cost-effective services from private TSPs.

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