STPL
SATZILIO TELECOM PRIVATE LIMITED

STPL/REG/TRAI/2512/88 22 December 2025

Shri Sameer Gupta,
Advisor (Networks, Spectrum and Licensing-I),
Telecom Regulatory Authority of India,
Tower F, NBCC World Trade Centre,
Nauroji Nagar,
New Delhi – 110029

**Subject:** **Submission of Counter Comments to TRAI Consultation Paper on Review of existing TRAI Regulations on Interconnection matters dated 10 November 2025**

**Dear Sir,**

Please find attached counter comments submitted on behalf of **Satzilio Telecom Pvt. Ltd. (formerly V-Con Mobile & Infra Private Limited)** in response to the comments submitted by stakeholders to the Consultation Paper, for your kind consideration.

Thanking you,

Yours sincerely,
For **Satzilio Telecom Pvt. Ltd.**

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**Encl.: as above**

# Satzilio Telecom Private Limited

(formerly V-Con Mobile & Infra Private Limited)

## Counter-comments to the comments received from Stakeholders on TRAI Consultation Paper on Review of Existing Interconnection Regulations

## Counter-comments on Introductory Remarks

***<u>Comments by AIRTEL</u>***

**b. Need for Commercial Segregation and Deterrent Charges for A2P SMS:**

i. The misuse of P2P interconnection pathways for commercial A2P traffic has become a key enabler of spam and fraudulent communication. By routing A2P SMS and calls through PoIs meant for P2P communication, telemarketers avoid entering into direct commercial agreements with terminating operators – agreements that would otherwise include essential controls such as usage-based tariffs, disconnection safeguards, and penalties for non-compliance. This practice not only undermines network-level spam filtering but also results in revenue leakage, QoS deterioration, and erosion of customer trust, particularly as fraudulent robo-calls increasingly target UPI, OTP, and financial credentials.

ii. In addition, certain licensees with negligible subscriber bases have secured PoIs solely to terminate bulk A2P traffic, benefiting disproportionately from zero voice termination charges and minimal SMS IUC, while major TSPs bear the full infrastructural cost and customer backlash associated with spam and fraud.

iii. Therefore, to restore regulatory integrity, protect customers, and ensure that enterprise traffic enters telecom networks in a secure and accountable manner, it is essential to mandate full commercial segregation between P2P and A2P communication, restrict the mandatory interconnection regime strictly to P2P traffic, and require all telemarketers to establish direct interconnection arrangements with terminating operators. This will ensure that all mandatory verification and security checks (CLI validation, consent status, preference settings, and spam scoring) are applied at the network layer itself, eliminating the vulnerabilities created by unregulated telemarketers.

iv. In addition, to ensure accurate billing and full transparency for PEs, delivery reports of A2P SMS should be handed over directly to each PE by every operator through their respective DLT nodes.

**c. Introduction of Deterrent Charges on A2P SMS and Calls for Enhanced Customer Protection:**

i. The above approach of mandating the telemarketers to establish direct interconnection arrangements with terminating operators requires PoI segregation and commercial realignment, which might be considered as a complex process in terms of implementation. An alternative approach can be opted for, wherein, A2P traffic continues to be routed through the existing interconnection framework, but with the effective deterrent charges aimed at discouraging misuse and excessive commercial traffic.

ii. Currently, an additional charge of ₹0.05 applies on Service/Promotional SMS, in addition to the termination of ₹0.02. This framework neither reflects the significant investments made by operators nor offers any meaningful deterrence against unsolicited and excessive messaging. The low pricing of commercial SMS has enabled enterprises to continue mass-messaging at extremely low cost, leading to traffic flooding, deterioration of customer experience, and erosion of trust in legitimate commercial communication.

iii. In any case, the existing additional charge of ₹0.05 per Service/Promotional SMS was never conceptualized as a deterrent mechanism, it was simply introduced as an add-on commercial component. This inadequacy persists despite operators making substantial capital and operational investments in implementing the Distributed Ledger Technology ("DLT") ecosystem mandated under the TCCCPR, including sender registration, consent management, header/template verification, and real-time traceability.

iv. **Moreover, India's total effective commercial SMS termination charge of ₹0.07 remains among the lowest globally – significantly below rates prevailing in countries such as Argentina, Brazil, the UK, Turkey, the US, and Canada – demonstrating that an upward revision would neither create market distortion nor impose unreasonable financial burden on genuine enterprise communication**.

v. In this context, it is imperative for the Authority to consider revising the overall termination charge for commercial SMS from the existing level of ₹0.07 (₹0.02 + additional charge of ₹0.05 under the TCCCPR) to at least ₹0.11-0.12 (₹0.02 + additional charge of ₹0.09-0.10) – to curb spam, incentivize responsible enterprise behavior, and ensure recovery of the substantial costs incurred in maintaining DLT based compliance infrastructure.

vi. Conversely, while an additional charge of ₹0.05 has still been implemented in respect of commercial SMS, A2P calls have continued completely unchecked. From a customer's point of view, telemarketing and robo-calls present a much greater nuisance/risk factor than commercial SMS. Thus, there is an urgent need to introduce a deterrent charge of say, ₹0.50/minute on A2P calls, to check this growing menace.

***<u>Comments by RJIL</u>***

**B. Addressing the issue of Spam and the need for A2P POIs**

17. Telecom spam has emerged as an unintended consequence of the rapid growth of digital communications. Existing interconnection systems and agreements—including the broader interconnection framework—were not designed to address unsolicited messages and calls at this scale.

18. The interconnection framework started with PSNT interconnection, and evolved to include digital communications, however, it was always designed to cater the needs for Person-to-Person (P2P) communication and is ill-equipped to face the avalanche of Application to Person (A2P) messages and calls and needs to be upgraded to meet the requirements of these new age communications.

19. It is submitted that the entire gamut of interconnection regulations, including those pertaining to Reference Interconnect Offer (RIO), Interconnection Usage Charges (IUC), and Telecom Interconnection Regulation have been intended and designed to ensure smooth and hindrance free P2P traffic to ensure every subscriber is able to connect to any other subscriber.

20. **However, a mandatory interconnection agreement is not a prerequisite for A2P voice and messaging traffic, as telemarketers and aggregators can directly connect with multiple operators. To effectively curb spam, it is essential to create a strong deterrence. Accordingly, we propose the explicit exclusion of A2P traffic from the mandatory interconnection regime, enabling TSPs to levy a deterrence charge on aggregators/telemarketers at the A2P Point of Interconnection (POI), thereby disincentivizing spam traffic.**

21. **All A2P calls, including those originating from the 1400 and 1600 number ranges, should be identified by the Originating Access Provider (OAP) and delivered through designated A2P POIs. A deterrence charge of at least (floor charges) Rs. 0.50 per minute for voice and Rs. 0.12 per SMS should apply. Currently, a deterrence charge of Rs. 0.05 per SMS is already in place but there is no deterrence charge for voice call leading to huge shift of SMS based SPAMs to voice-based SPAM calls.** We have detailed the proposed A2P POI process in our responses to the questions and request the Authority to take the same into consideration.

***Comments by VIL***

15. The Short Message Services (SMS) Termination Charges Regulations, 2013: There is no review required for SMS termination charges. However, we strongly recommend the Authority to revise and increase the existing Rs. 0.05 SMS commercial communication charge to Rs. 0.10 per SMS. This along with the existing Rs 0.02 per SMS termination charges, will making it to Rs 0.12 per SMS uniform commercial communication charge for A2P SMS.

17. SMS carriage charges: SMS carriage charge is prescribed so that an effective and competitive market mechanism is built, for new service providers to enter the market with even single/few LSA authorisation.

19. Provision/Charges for termination of emergency calls/SMSs: Post implementation of PSAP, the emergency calls are being routed directly to the control room of the PSAP center established by State under the project run by MHA. This has reduced the number of calls to almost Nil and the very objective of having annual LSA based price, has become redundant. With these changes, the inter-operator charges for emergency calls should be made free. If it doesn't find merit then, it should be defined based on the number of calls.

***STPL's Counter Comments***

1. ***Explicit Exclusion of A2P message charges within the Consultation Paper***

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under:*

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), **present consultation does not envisage the review of these regulations."** (Emphasis Supplied)*

*2. Governance Under the TCCCPR Framework currently not the subject matter of Consultation*

*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under **'The Telecom Commercial Communications Customer Preference Regulations, 2018'** (as amended). TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

Without prejudice to the above argument and in addition and not in derogation of the same, we wish to submit following points as additional counter-comments:

***I. Issue of increasing charges for termination of A2P SMS raised by TSPs during last review of TCCPR in February 2025 hardly ten months back but not acceded to by the Authority***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28^th^ August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to The Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123. Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There is no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

***II. Spam issue raised by TSPs just to argue for differential termination charge for A2P Messages***

*Issue of control of Spam raised by the Authority during last review of TCCCPR in Feb 2025 by implementing differential Tariffs for Voice and SMS but was not agreed by the TSPs.*

*The issue of control of spam which is now being raised by the TSPs in order to promote differential termination charge was raised by Authority vide its Questions 12 to 16 in the CP dated 28th August 2024 on Review of TCCPR by mode of having differential tariffs and same was not agreed to the TSPs. So control of Spam is a false pretext on which the TSPs are trying to argue and justify for differential termination charges for A2P Voice/SMS whereas earlier they stated that there is no need to implement differential tariff to control spam as spam is being controlled through other measures, The relevant part of the Explanatory Memorandum of TRAI TCCPR Regulation (Second Amendment ) dated 12th Feb 2025 is reproduced below:*

*"(1) Identifying of spammers basis triggers of calls/SMS*

***Inputs of the Stakeholders***

*100.* ***Some stakeholders submitted that the entire section should be dropped as it is neither feasible nor practical to implement. One stakeholder was of the view that this provision is not required post strict implementation of various directions issued by TRAI.*** *Further, once the TM-D is brought under licensing framework, controls can be implemented at TM, PE level and such granular monitoring of customers will not be required. A few stakeholders have submitted that UCC Detect systems are already in place, however, suitable change should be made for involving TM-D in process. One stakeholder suggested that TSPs are already taking proactive actions needed to stop further communication of messages or calls identified as spam and the same shall be left to the TSPs. One stakeholder submitted that it will be difficult to identify such B party numbers who have not answered the calls because record of such incidences (missed calls) is not maintained in the network. However, other criteria as proposed may be kept*."

***III. Distinction Between "Interconnection" and "Commercial Deterrence"***

- ***Interconnection Usage Charges (IUC):*** *These are meant to be cost-based, reflecting the "work done" by a network to terminate a standard communication without any distinction.*
- ***TCCCPR Charges:*** *The additional termination charges associated with A2P SMS are stipulated due to commercial nature of these messages.*
- *It is absolutely fallacious to argue that interconnection framework was always designed to cater the needs for Person-to-Person (P2P) communication as contended by RJIL and there have never been such a provision in any of the Interconnection Regulations and/or the License provisions. There is no upgrade required in the interconnection regime as such.*
- *TCCPR regulations issued by the Authority along with various other measures have by and large taken care of the telecom spam issue and more needs to be done the TSPs in terms of implementation of differential tariffs if they want to control the spammers who are also their customers,*

***IV. On the Need for Commercial Segregation and Direct Interconnection (P2P vs. A2P)***

*TSPs argue that A2P traffic should be strictly segregated from P2P interconnection, requiring telemarketers to establish direct arrangements with every terminating operator.*

## *STPL's Counter Comments*

- ***Against the applicable License and Interconnection regime****: The license and interconnection regime doesn't distinguish the type of traffic which is carried by the licensee and there is no segregation which is permitted by the License provisions or the applicable Regulations for the segregation as proposed. Moreover, such segregation will result in market distortions and gravity shift to select market players and consolidation of the market which would be against the applicable Competition laws of the country.*
- ***Anti-Competitive Barriers to Entry:*** *Mandating direct interconnection for all telemarketers with every single terminating operator creates an insurmountable barrier for smaller TSPs and innovative startups and businesses. This approach favors large, pan-India incumbents who have the administrative and technical scale to manage thousands of direct bilateral agreements.* ***TRAI guidelines dated 18th June 2024*** *already provide that Senders (such as Banks, Mutual Funds, Insurance Companies, Mutual funds, Stockbrokers, other Financial Institutions, Corporates, Enterprises, SMEs, big and small businesses, and any entity who wishes to send commercial communication to its existing or prospective customers) shall ensure that they send their commercial communications <u>by engaging only Registered</u>*

*<u>Telemarketers (RTMs) or establish the direct connectivity with the Telecom Service Provider for this purpose.</u> This is being complied and there is absolutely no need to complicate this further by mandating all Telemarketers to establish direct arrangements with every terminating operator.*

- ***Technical Redundancy and Complexity:*** *Requiring separate physical or logical Points of Interconnection (PoIs) for A2P traffic is a regressive step. In an* ***All-IP network environment****, traffic should be managed via* ***software-defined policy and logical tagging (headers)*** *rather than physical segregation. Mandating separate "P2P-only" pipes would force the industry back into inefficient, siloed network architectures.*
- ***DLT is Already the Solution:*** *The Distributed Ledger Technology (DLT) ecosystem was specifically designed to provide the "direct commercial control" which Airtel claims is missing. Since all A2P traffic must be scrubbed and verified against DLT templates, the "misuse of P2P pathways" is already technically mitigated. Any further mandate for separate PoIs is an unnecessary operational burden that yields no additional security benefit.*
- ***Threat to Digital Connectivity:*** *The principle of* ***"Any-to-Any" connectivity*** *is the bedrock of telecommunications. Excluding A2P traffic—which now includes critical services like* ***Banking OTPs, UPI alerts, and Disaster Management notifications****—from the mandatory interconnection regime would allow a terminating dominant Access operator to effectively "hold to ransom" any non-dominant Access Provider by denying or delaying interconnection.*
- ***Creating "Standalone Islands":*** *If interconnection for A2P is not mandatory, larger TSPs could refuse to interconnect with smaller ones for A2P traffic, forcing telemarketers to migrate entirely to larger networks. This would stifle competition and create a fragmented market where the reach of a smaller TSP is limited by the interconnection whims of a dominant TSP. This is in fact a proposal to vertically squeeze out smaller Access Providers out of serving Enterprise customers in A2P market and such a proposal would lead to competitive issues.*
- ***Technological Inconsistency:*** *From a network engineering perspective, an IP packet carrying an SMS or a voice call does not change its "interconnection nature" based on whether it was triggered by a person (P2P) or an application (A2P). Mandating separate regulatory regimes for the same bitstream adds* ***unnecessary technical complexity*** *and contradicts the goal of a unified, all-IP network architecture.*

### *V. Rebuttal of misuse of interconnection by Access Providers*

*TSPs state as under:*

"i. The misuse of P2P interconnection pathways for commercial A2P traffic has become a key enabler of spam and fraudulent communication. By routing A2P SMS and calls through PoIs meant for P2P communication, telemarketers avoid entering into direct commercial agreements with terminating operators – agreements that would otherwise include essential controls such as usage-based tariffs, disconnection safeguards, and penalties for non-compliance. This practice not only undermines network-level spam filtering but also results in revenue leakage, QoS deterioration, and erosion of customer trust, particularly as fraudulent robo-calls increasingly target UPI, OTP, and financial credentials.
ii. In addition, certain licensees with negligible subscriber bases have secured PoIs solely to terminate bulk A2P traffic, benefiting disproportionately from zero voice termination charges and minimal SMS IUC, while major TSPs bear the full infrastructural cost and customer backlash associated with spam and fraud."

## *STPL's Counter Comments*

It is submitted that that interconnection by an Access Provider with another Access Provider is for all kind of traffic and it is totally erroneous to state that a) Interconnection is for P2P communication and b) interconnection is being misused for commercial A2P traffic. It is also totally incorrect to state that such interconnection with other Access Providers has become key enabler of spam and fraudulent communication. It is indeed strange that now issue of essential controls such as usage-based tariffs is being raised now while the same concept of control of UCC by differential tariffs was rejected by TSPs recently during the consultative exercise which resulted in review of TCCPR Regulations 2018 and TCCPR Second Amendment dated 12th Feb 25 was issued.

We further submit that it the right of the choice of business for an Access Provider whether it wants to serve retail market or Enterprise Market and whether it wants to do Voice, SMS or Data Business and for someone to argue that since an Access Provider is serving only Enterprise Market with smaller subscriber base it should be treated differentially in terms of interconnection rights is not a sustainable argument and is not borne out of the provisions of the License or the applicable Regulations. It may also be noted the SMS termination charge was determined as 2 paise in the year 2011 and with the march of technology and reduction of the cost of the equipment, cost based SMS termination charge would now be nearing Zero. Similar would be the case for cost-based Voice call termination charges. For TSPs to get 7 paise termination charge for A2P messages cannot be termed as minimal by no stretch of imagination.

It is also our submission that introduction of various measures by the Authority including Second Amendment to TCCCPR, introduction of 1400/1600 series for promotional/transactional-service calls has largely taken care of issue of Spam and fraudulent calls/messages. Issue of spam and fraud are being raised only as bogey to justify separate interconnection, monopolization of A2P market and higher charges for termination of A2P messages/calls. **It is also our submission that all Access Providers have to bear cost of infrastructure and there is nothing unique in that aspect which TAPs are doing.** It is also our submission that submissions as above are intended to create monopolistic situation in the market wherein multiple Access Providers are currently operating basis services to the Enterprises.

***VI. On the Introduction of "Deterrent" Charges (Upward Revision to ₹0.12)***

*TSPs suggests increasing the total A2P SMS charge from ₹0.07 to ₹0.12 to act as a "deterrent" against spam and recover DLT costs.*

### *STPL's Counter Comments*

- ***Explicit Exclusion of A2P message charges within the Consultation Paper***

As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under :

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation **does not envisage the review of these regulations**."*

A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under **'The Telecom Commercial Communications Customer Preference Regulations, 2018'** (as amended). The TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique *nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

- ***Issue of increasing charges for termination of A2P SMS raised by TSPs during last review of TCCPR in February 2025 hardly ten months back but not acceded to by the Authority***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28th August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123. Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There is no compelling change in the situation since February 2025 to warrant reconsideration of this decision.**

- ***Economic Burden on Essential Services:*** *A2P SMS is no longer just "promotional." It is the backbone of India's digital economy, carrying* ***OTP for banking, UPI transaction alerts, and government service notifications.*** *An 70% increase in termination charges (from ₹0.07 to ₹0.12) would impose a massive financial burden on the BFSI (Banking, Financial Services, and Insurance) sector and public services, ultimately being passed down to the Indian consumer.*
- ***Inconsistency with "Cost-Based" Principles:*** *Interconnection charges should be* ***cost-reflective****, not giving excessive multiplier just because the message is a commercial message. If the incremental cost of carrying an SMS in a modern IP network is marginal then a ₹0.12 charge represents a* ***super-normal profit*** *for terminating operators rather than a recovery of infrastructural cost. Even 7 paise is a super-normal profit considering cost of SMS termination would be less than a Paisa but the same may be continued being an existing market practice.*
- ***Spam is a Regulatory Problem, Not a Pricing Problem:*** *Increasing the price of a message does not stop a fraudster; it only makes legitimate communication more expensive. Spam should be controlled via* ***stringent DLT enforcement, header-template matching, and disconnecting non-compliant entities****, not by taxing the entire ecosystem. The other method to control spam is through differential tariff which was rejected by these very TSPs during consultation for TCCPR Second Amendment dated 12th Fen 2025.*
- ***Punishing Legitimate Communication:*** *A "deterrence charge" is a blunt financial tool that fails to distinguish between* ***harmful spam*** *and* ***essential service communication****. A bank sending a fraud alert or a government agency sending a vaccination reminder would be "deterred" just*

*as much as a spammer. This would significantly increase the cost of digital governance and financial inclusion in India.*

- ***Violation of Cost-Based Principles:*** *Interconnection charges (IUC) are legally required to be* ***cost-based****. A "deterrence charge" is, by definition, an arbitrary markup above cost. If the incremental cost of terminating a voice minute or SMS is near zero in an IP network, a ₹0.50 or ₹0.12 charge represents a* ***super-normal profit*** *for the terminating TSP, not a cost recovery.*
- ***Pricing Does Not Stop Fraud:*** *Professional fraudsters and "scammers" targeting financial credentials are often indifferent to a marginal increase in per-call costs. High pricing only "deters"* ***legitimate businesses*** *with thin margins, while scoundrels continue to find "grey routes" or use personal SIMs (SIM farms) to bypass these high-cost A2P POIs entirely.*

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***VII. On Direct Delivery Reports for Principal Entities (PEs)***

***Airtel's Position:*** *Delivery reports should be handed over directly to PEs through their respective DLT nodes. In addition, to ensure* ***accurate billing and full transparency for PEs****, delivery reports of A2P SMS should be handed over directly to each PE by OAP (originating access provider) through their respective DLT nodes.*

### *STPL's Counter Comments*

- ***TRAI direction dated 16.02.2024 addressed to all TSPs (TSP is either OAP or TAP) states as under:***

"18. Now, therefore, the Authority, in exercise of the powers conferred upon it under section 13, read with sub-clauses (i) and (v) of clause (b) of sub-section (1) of section 11, of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), and the provisions of the Telecom Commercial Communications Customer Preference Regulations, 2018 hereby directs all Access Providers to:

(h) share the Delivery Report (hereinafter referred to as "DLR") with PEs, in form of total count of messages delivered, through a system generated report and to also make necessary arrangements for cross verification of the same by PEs on case-to-case basis, provided that confidentiality of the data shared is ensured by them.

The above is being complied by all Access Providers.

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***VIII. On the Introduction of ₹0.50/Minute Deterrent Charge for A2P Calls***

***Airtel & RJIL Position:*** *Introducing a ₹0.50/minute charge on A2P calls to check robo-calls.*

### *STPL's Counter Comments*

- **TCCPR already provides for a check in Robo Calls and there is no differential cost in termination of a robo call vs normal call in a network. Regulation 4 of the TCCPR provides for prior intimation regarding use of Auto Dialer or Robo calls and states as under:**

*"4. Intimation regarding use of Auto Dialer or Robo-Calls.— Every Sender shall notify the Originating Access Provider, in advance, about the use of Auto Dialer or Robo-Calls as well as the intended objective of such calls in writing."*

There is no justification to introduce this punitive termination charge of 5o paise per minute for robo calls and this will lead to unjust enrichment of the TSPs.

- *This issue has been comprehensively dealt by the Authority in the Explanatory Memorandum of Second Amendment to the TCCPR Regulation dated 12th February 2025, reproduced as follows:*

  "E. Regulating the Use of Auto Dialer or Robo-Calls

  18. Many entities have started resorting to the use of Auto dialer or Robo calls for commercial communications. Such calls are creating a nuisance to almost everyone. Many legitimate services rely on robocalls for time sensitive notifications. These include emergency alerts, transaction notifications, and real-time service updates (such as flight delays or credit card fraud alerts). Therefore, service or transactional robocalls should not be subject to any restrictions. As far as promotional Voice Calls through Auto-dialer/Robo calls are concerned, these should be permitted through 140-series numbers only and Service and Transactional Voice Calls through Auto-dialer/Robo calls should be permitted through 1600 or any other series allotted for the purpose. Access Providers have already deployed the Digital Consent Acquisition (DCA) platforms for promotional purposes (calls/messages). The same should be used for promotional Auto-dialer/Robo calls to reach out to all the customers irrespective of their preference registered. Therefore, at present, there is no need for any separate regulation for the Auto dialer or Robo-Calls. However, the Sender should pre-declare the use of Auto dialer or Robo-Calls and the objectives of such calls to OAP ,which will enable the blocking of such calls based on the preference of the customer. Therefore, it has been mandated that all senders shall notify the originating access provider in advance about the use of the Auto dialer/Robo-Calls."

  **STPL is of the view that there is a need to implement the above provisions instead of seeking to increase termination charges for robo calls as is being sought to be done by the TSPS.**

  - ***This will result in Blocking of Legitimate Service Calls:*** *A2P voice Auto Dialer or Robo-Calls is used for users who cannot receive SMS. These include emergency alerts, transaction notifications, and real-time service updates (such as flight delays or credit card fraud alerts). Therefore, service or transactional robocalls should not be subject to any restrictions. A blanket ₹0.50 deterrent charge would make these essential services economically unviable and would lead to unjust enrichment of Access Provider.*
  - ***Shift to 160-Series is the Correct Answer:*** *TRAI has already mandated the **160-series for transactional voice calls**. This allows for immediate identification and blocking unauthorized calls. Financial deterrents are a "blind" tool that punishes legitimate and illegitimate actors alike, whereas number series segregation is a "surgical" tool for security. As per the TCCPR Transactional Voice Calls through Auto-dialer/Robo calls should be permitted through 1600 or any other series allotted for the purpose. As far as promotional Voice Calls through Auto-dialer/Robo calls are concerned, these should be permitted through 140-series numbers only. Access Providers have already deployed the Digital Consent Acquisition (DCA) platforms for promotional purposes (calls/messages). The same should be used for promotional Auto-dialer/Robo calls to reach out to all the*

*customers irrespective of their preference registered. Therefore, at present, there is no need for any separate regulation for the Auto dialer or Robo-Calls. Thus there is no justification of imposing punitive termination charges for Auto Dialer/Robo Calls and these can be regulated as per provisions of TCCPR Second Amendment dated 12th Feb 2025.*

***The proposal to implement "exorbitant termination charges" and "mandatory segregation" is an attempt to monetize the interconnection layer at a time when technology (All-IP) and regulation (DLT) have already provided more efficient, software-based solutions for spam control. It is our submission that these proposals should be rejected as being outside the ambit of the present Consultation , not having any rationale or justification, and will promote monopoly in the Access Services market.***

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***VIII.B Airtel proposal on Two-Way Communication on 1600xx Number Series under the "IN Framework".***

## *STPL's Counter Comments*

1. The objective of 140/1600 was to segregate the promo/transactional calls from normal calls – used as an identifier of calls and avoid UTM calls. It is not an IN call and it doesn't use IN ecosystem – thus should be treated as normal charges**.**
2. ***Misalignment with Modern IP-Network Economics:*** *The* ***₹0.52/minute IN interconnect charge*** *was established in* ***2007****, an era dominated by high-cost, legacy TDM (Time Division Multiplexing) networks. In today's* ***All-IP (NGN/5G) environment****, the marginal cost of routing a call—whether to a standard mobile number or a 1600-series number—is negligible. Applying a 17-year-old tariff to a new series is economically regressive and violates the principle of* ***cost-based charging*** *that the Authority has consistently upheld.*
3. ***Financial Burden on Critical Sectors (BFSI and Government):*** *The 1600-series has been specifically mandated for* ***Service and Transactional calls*** *from regulated entities like banks and financial institutions. These calls—often for* ***OTP verification, transaction alerts, and citizen outreach****—are essential services, not luxury communications. Imposing an exorbitant "deterrent-level" charge of ₹0.52/minute would exponentially increase the operational costs for banks and government agencies, costs that will inevitably be passed on to the Indian consumer*
4. ***1600-Series is a Security Tool, Not a Toll-Free "Premium" Service:*** *Airtel's comparison of the 1600-series to the* ***1800-series (Toll-Free)*** *is technically and conceptually flawed:*

    - ***1800-Series (Inbound):*** *Designed for businesses to pay for their customers' incoming calls, often used for sales and general support.*
    - ***1600-Series (Outbound):*** *Designed as a* ***security and trust signal*** *for high-priority service calls. Enabling two-way calling should be treated as a standard* ***SIP-based routing configuration*** *at the LSA level, not as an "Intelligent Network" premium service that justifies a high legacy tax.*

5. ***Technical Redundancy of the 2006 IN Framework:*** *The* ***IN Regulations, 2006****, were designed to handle complex routing for older switches. Modern* ***Session Border Controllers (SBCs)*** *and* ***IMS (IP Multimedia Subsystem)*** *architectures handle complex*

*call routing, whitelisting, and two-way mapping at the software layer with ease. Mandating the IN framework would force TSPs to maintain unnecessary interworking layers, adding technical complexity rather than simplifying it.*

While we support the objective of enhancing consumer safety and brand authenticity through the **1600-series**, we strongly oppose Airtel's proposal to classify this series under the **Intelligent Network (IN) Regulations, 2006**, and the subsequent imposition of the **₹0.52/minute IN interconnect charge**.

Airtel's position seeks to apply an obsolete, high-cost financial framework to a modern, security-driven numbering series, which would create a significant financial burden for the BFSI (Banking, Financial Services, and Insurance) sector and stifle the very modernization it claims to support.

### *STPL's Recommendations for 1600-Series Implementation*

Instead of Airtel's proposal, we recommend the following:

1. ***Standard IP Interconnection Charges:*** *Two-way calling on the 1600-series should be governed by the same* ***standard interconnection charges*** *(such as Bill-and-Keep or a minimal IP-based cost) applicable to regular mobile/PSTN traffic.*
2. ***LSA-Level Routing:*** *Incoming calls to 1600 numbers should be handed over at the* ***LSA-level POI*** *using modern SIP protocols, ensuring high voice quality and low latency without the burden of legacy IN protocols.*
3. ***No New "Access Charges":*** *The Authority should reject any attempt to introduce new "Access Charges" or "IN Interconnect Charges" for a series meant to* ***protect citizens*** *from fraud. The focus should remain on encouraging 100% adoption of the 1600-series by BFSI entities, which high costs would only discourage.*

*This approach ensures that the* ***1600-series*** *remains an effective, affordable tool for securing India's financial ecosystem without providing a windfall to incumbent operators through obsolete pricing models*

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***IX. On Mandatory Delivery Through Designated "A2P POIs"***

***<u>TSP/ RJIL Position</u>:*** *All A2P traffic must be delivered through separate, designated A2P POIs.*

### *STPL's Counter Comments*

- ***Against the applicable License and Interconnection regime****: The license and interconnection regime doesn't distinguish the type of traffic which is carried by the licensee and there is no segregation which is permitted by the License provisions or the applicable Regulations for the segregation as proposed. Moreover such segregation will result in market distortions and gravity shift to select market players and consolidation of the market which would be against the applicable Competition laws of the country.*

- ***Technical Regression:*** *In the era of* ***Next Generation Networks (NGN)*** *and 5G, the industry is moving toward* ***consolidated, LSA-level IP POIs*** *to reduce latency and improve efficiency. Forcing TSPs to build and maintain separate "A2P-only" POIs is a regressive step that increases* ***CAPEX and OPEX*** *for the entire industry without any corresponding technical benefit.*

- ***Smarter Alternatives Exist:*** *Modern network security is achieved through* ***"Security by Design"*** *and* ***"Application Layer Filtering."*** *Instead of separate physical pipes, TSPs should use* ***Deep Packet Inspection (DPI)****,* ***CLI validation****, and* ***DLT-based scrubbing*** *at the logical layer. Segregating traffic at the physical POI layer is an obsolete approach to a modern data problem.*

***Conclusion***

*Above proposal aims to use the "Spam" narrative to bypass the cost-based, mandatory interconnection regime. The Authority should reject this approach and instead:*

1. ***Maintain A2P within the mandatory interconnection regime*** *to ensure universal digital reach.*
2. ***Reject "Deterrence Charges"*** *in favor of existing* ***c IUC*** *to protect the digital economy.*
3. ***Enhance TCCCPR enforcement*** *(DLT scrubbing, 160-series adoption) to fight spam at the application layer, rather than distorting the network interconnection layer and mandate the TSPs to control spam by implementing differential tariff to segregate and identify spammers within their network.*

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***X. Providing a comprehensive "Indian Interconnection Code" Comment by RJIL***

## *STPL's Counter Comments*

***1. On the Creation of a "Deterrent-Based" Second Chapter***

*RJIL proposes that the second chapter of the new Code should include* ***"deterrent charges"*** *for A2P voice and messages.*

- ***Violation of Regulatory Sanctity:*** *Interconnection Usage Charges (IUC) have always been governed by the* ***"Cost-Based and Work-Done"*** *principle. Introducing "deterrence" as a formal charging category would set a dangerous precedent, allowing TSPs to move away from transparent, verifiable cost-based economics toward arbitrary, punitive pricing. This is against the applicable License and Interconnection regime. The license and interconnection regime doesn't distinguish the type of traffic which is carried by the licensee and there is no segregation which is permitted by the License provisions or the applicable Regulations for the segregation as proposed. Moreover such segregation will result in market distortions and gravity shift to select market players and consolidation of the market which would be against the applicable Competition laws of the country.*

- ***Institutionalizing Arbitrage:*** *By embedding "deterrent" charges into a formal Code, the regulator would be inadvertently creating a high-margin revenue stream for terminating operators at the expense of the digital economy. This contradicts the very purpose of the IUC 2003 base, which aimed to facilitate affordability and market growth.*

***2. Against the Mandatory Incorporation of "A2P POIs" in Chapter One***

*RJIL recommends that the first chapter of the Code should mandate* ***separate POIs for A2P Voice and Messages****.*

- ***This is against the applicable License and Interconnection regime****. The license and interconnection regime doesn't distinguish the type of traffic which is carried by the licensee* *and there is no segregation which is permitted by the License provisions or the applicable Regulations for the segregation as proposed. Moreover, such segregation will result in market distortions and gravity shift to select market players and consolidation of the market which would be against the applicable Competition laws of the country.*

- ***Engineered Inefficiency:*** *Modern* ***All-IP networks*** *are designed to be unified. Forcing a physical or logical separation of POIs based on content type (A2P vs. P2P) is a regressive engineering requirement. It would increase the CAPEX for new entrants and smaller TSPs who would have to maintain dual infrastructure to connect with the same partner.*
- ***SIA vs. Whimsical Charging:*** *While we agree that "no service provider should be permitted to invent new modes to charge," RJIL's own proposal for "deterrent charges" is exactly such an invention. A truly modernized Code should focus on* ***Standard Interconnection Agreements (SIA)*** *that promote* ***Bill-and-Keep (B&K)*** *and seamless IP-handovers, rather than building new physical silos for traffic. It may be noted that Authority vide its Regulation of October 2011 stated that "After careful consideration of the above factors, the Authority felt the need to impose a promotional SMS charge. Accordingly, a provision has been made for promotional SMS charge of Re 0.05 sent by registered telemarketer." Thus the charge was an additional charge for promotional messages by registered telemarketers and not a deterrent charge.*

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**XI . *Revision of International termination charges and introduction of SMS carriage charge*.**

### *STPL's Counter Comments*

It is widely acknowledged at a global level that traditional voice traffic carried over PSTN networks is progressively migrating to alternative communication platforms. In this context, TRAI, with the objective of incentivizing international carriers to increase traffic volumes, prescribed a band for international termination charges rather than a fixed rate.

However, in practice, mobile access service providers have largely chosen to levy termination charges at the ceiling of the prescribed band in order to maximise revenue realisation. This has resulted in a market outcome where the intended benefit of the regulatory framework accrues predominantly to dominant access providers, while standalone licensed International Long Distance Operators (ILDOs) are left with limited commercial flexibility. Consequently, ILDOs are unable to structure competitive commercial arrangements to attract and grow inbound international voice traffic over PSTN networks, rendering such traffic increasingly unviable from an economic perspective.

Voice telephony continues to be a critical and essential component of the national and international communications ecosystem. There is, therefore, a need to review and rationalise the existing framework for ILD termination charges in a manner that enables all stakeholders to make concerted efforts towards arresting the sustained decline in traffic volumes. It is pertinent to note that there is no difference in the intrinsic nature of a voice call, whether domestic or international, and accordingly, the termination cost elements should be aligned on similar principles.

It is our submission that the current price of termination charge at 65 paise per minute level works well and any increase in price will only benefit the mobile operators and it will further accelerate the decline of volumes on PSTN network and transition to alternative OTT channels, that not only impacts the forex, but also loss to the exchequer. Any increase in the current charges would also lead in increase in the grey market operations which is a security concern already and any such move should be taken only after consultation with the relevant stakeholders in-charge of security aspects of the country.

***STPL’s Counter Comments to RJIL’s Proposal on SMS Carriage Charges***

*SMS traffic is carried on the **Signaling Channel (SS7/SIP-IM)**, not the high-bandwidth user plane. The incremental cost of "carrying" an SMS payload between LSAs in a modern fiber-optic backbone is virtually zero. A ₹0.05 charge is not a "ceiling"; it is a massive **over-recovery of cost** that enriches large NLDOs at the expense of Access Providers and end users.*

*A regulated high carriage charge for SMS would discourage dominant TSPs from providing more efficient, direct IP-interconnection at the LSA level. Instead of streamlining traffic, it creates a commercial incentive to maintain complex, multi-hop routing just to collect carriage fees.*

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***XII. On the issue of Spam being raised by TSPs***

Fighting SMS spam is a continuous effort that requires a multi-layered approach combining technological filtering, strong regulation, and user awareness, rather than relying solely on economic deterrents. There is no country as precedence in the world that has been able to control spam by raising price . Countries listed by one of the respondents being high charges as compared to India , It is not clear that whether such respondent intent is to have larger monetisation or otherwise as one of the country in the list , Argentina is one the highest spam effected country despite higher price , also if we look at ILD SMS in India where the price is 60x of the domestic price that channel is not free of spam .

Telecom operators in various countries have implemented different approaches to combat spam, which often involve a combination of:

- **Filtering Systems:** Mobile network operators in the US, Canada, UK, New Zealand, and Australia use machine learning and firewall filters to detect and block malicious messages based on content, volume, and known spam characteristics.
- **Stricter Regulations:** Countries like India have implemented stringent rules requiring the traceability of commercial messages and the registration of aentities that send bulk SMS .
- **User Reporting:** Many countries utilize a universal reporting number (e.g., 7726 or 'SPAM' on a keypad) where users can forward suspicious messages, allowing operators and regulators to update their detection rules.
- **Explicit Consent Laws:** Regulations such as the GDPR in the European Union and the CAN-SPAM Act in the US require businesses to obtain explicit prior consent before sending marketing messages and provide clear opt-out options
- **Singapore:** While not a direct price per individual message, Singapore introduced the **Full SMS Sender ID Registry (SSIR)** in 2022, which includes significant setup and annual fees for legitimate businesses. Organizations must pay a **S$500 one-time setup fee** and **S$200 annually per Sender ID**. We believe that there are thousands of templates, headers consents registered on DLT a special charges per month should be applied like Singapore which may keep the spammers at bay

**Lastly putting an extra charge on per SMS may limit the innovation, can slow the pace of digital inclusion , alternative channels could be used which are not under the security scanner of the lawful agencies as developers will create applications on the cost effective channels.**

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***XIII. DLT Implementation as an Argument for Price Hikes***

***<u>Airtel's Position</u>:*** *Airtel claims that the ₹0.05 additional charge is insufficient to cover the capital and operational costs of the DLT (Blockchain) ecosystem.*

### *STPL's Counter Comments*

- ***DLT is a Compliance Responsibility, Not a Profit Center:*** *Implementing anti-spam measures (TCCCPR/DLT) is a* ***license obligation*** *for all TSPs to ensure a clean network. TSPs should not seek to turn a mandatory compliance requirement into a separate revenue-generating stream by inflating termination charges.*
- ***Deterrence is a Regulatory, Not Pricing Objective:*** *Spam control is achieved through* ***scrubbing, header verification, and disconnecting non-compliant entities****, not by making the channel expensive. Higher prices only incentivize bad actors to find "grey routes" (like international breakout or SIM farms) to bypass legitimate domestic routes entirely.*

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**Q14. Is there a need to revise the existing SMS termination charge? If yes, what are the considerations necessitating such a revision? If not, kindly provide justification.**

***<u>Airtel Response to Q14:</u>***

1. P2P SMS continues to be governed by the cost-based SMS termination charge as stipulated under the SMS Termination Charges Regulations, 2012. This P2P SMS ecosystem has remained stable, efficient, and free of any market distortions under this regulatory framework. Accordingly, there is no justification for any intervention or modification in the existing P2P SMS termination charges.
2. In respect of A2P SMS, please refer to Airtel's response to Q22 below. **We submit that it should be mandated to have commercial segregation of P2P and A2P traffic.** The scope of the mandatory interconnection regime should be strictly limited to P2P voice and SMS communication only. Further, **telemarketers should be required to establish direct interconnection arrangements with terminating operators.**
3. However, the above approach of mandating telemarketers to establish direct interconnection arrangements with terminating operators would require PoI segregation and commercial realignment, making implementation operationally complex. **Accordingly, as an alternative, we propose the revision of existing termination charges, specifically aiming to curb unsolicited and excessive A2P messaging.**
4. While the current regulatory framework prescribes certain charges for such messages, it neither provides an adequate deterrent against misuse nor accounts for the substantial investments made by terminating operators. This creates an urgent need to revisit the existing structure and introduce a distinct deterrent charge specifically aimed at curbing unsolicited and excessive A2P messaging.
5. At present, an additional charge of ₹0.05 is levied on Service and Promotional SMS, under the provisions of the TCCCPR. **This charge, however, was never conceptualized as a deterrent mechanism, it was simply introduced as an add-on commercial component. While it has marginally contributed to reducing extremely low-cost bulk messaging, it remains insufficient to meaningfully discourage the misuse of A2P**

**channels. Enterprises continue to send mass messages at very low cost, resulting in flooding of SMS traffic, deterioration of customer experience, and an erosion of trust in legitimate commercial communications**.

6. Further, it is important to highlight that this ₹0.05 add-on charge was prescribed at a time when the DLT framework had not yet been deployed. **Since then, operators across the industry have undertaken significant capital and operational expenditure to establish, integrate, and maintain advanced DLT systems. These platforms enable sender registration, consent management, header and content template verification, scrubbing, and real-time traceability, forming the backbone of India's anti-spam architecture.** Despite this robust regulatory and technological ecosystem, spam and unsolicited messaging remain persistent, primarily because current pricing does not impose any real deterrence on bulk spammers or non-compliant entities.

7. **There is, therefore, a compelling need to revise the overall termination charge on domestic commercial SMS from the existing level of ₹0.07 (₹0.02 + additional charge of ₹0.05 under the TCCCPR) to at least ₹0.11-0.12 (₹0.02 + additional charge of ₹0.09-0.10).** Such a charge would:

• Encourage enterprises to adopt more selective, targeted, and responsible messaging practices.

• Strengthen the effectiveness of the regulatory safeguards already implemented to protect customers from spam.

• Support operators in meeting their ongoing DLT-related operating and compliance costs.

8. Even with the current total charge of ₹0.07 for Service and Promotional SMS, **India's commercial SMS termination charges continue to remain significantly lower compared to prevailing rates in several developing and developed economies** – as evident from the below table:

| **S. No.** | **Country** | **Domestic SMS Termination Charge (in ₹/SMS)** |
|---|---|---|
| 1. | Argentina | 8.4 |
| 2. | Brazil | 5.4 |
| 3. | UK | 4.2 |
| 4. | Turkey | 2.7 |
| 5. | US | 0.7 |
| 6. | Canada | 0.7 |
| 7. | South Africa | 0.27 |
| 8. | India | 0.07 |

9. Introducing a dedicated deterrent charge would therefore bring greater balance and sustainability to the A2P ecosystem without imposing unreasonable costs on genuine enterprise communication.

10. It may also be observed from the responses to the pre-consultation preceding the instant CP, that introduction of deterrent charges on commercial SMS is a collective ask of the whole industry. The Authority seems to have brushed it aside by stating that "the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation does not envisage the review of these regulations".

11. However, the TCCCPR was amended very recently, earlier this year and yet this critical issue was not dealt with even then. In any case, both the Interconnection Regulations and the TCCCPR come within the jurisdiction of the Authority. Further, as per the process usually followed by

the Authority, Airtel understands that the instant Consultation Paper will be followed by another round of consultation on draft amendments/regulations. The Authority should, therefore, take the stakeholder comments into consideration and initiate appropriate amendments to the relevant regulations – whether it be Interconnection Regulations or TCCCPR.

12. Therefore, Airtel recommends the following:

a. **There is no need to revise the existing termination charge for domestic P2P SMS.**
b. **The overall termination charge on domestic commercial SMS should be revised from the existing level of ₹0.07 (₹0.02 + additional charge of ₹0.05 under the TCCCPR) to at least ₹0.11-0.12 (₹0.02 + additional charge of ₹0.09-0.10), to deter bulk spamming, encourage responsible enterprise communication practices and ensure a fair, secure and economically viable digital messaging ecosystem.**

## *STPL's detailed Counter-Comments to Airtel's Proposal on A2P SMS Termination and Deterrent Charges*

### *I. Explicit Exclusion of A2P messages from the scope of Consultation Paper*

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under :*

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation **does not envisage the review of these regulations**."( Emphasis Supplied)*

*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under **'The Telecom Commercial Communications Customer Preference Regulations, 2018'** (as amended). The TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

### *II. Issue of increasing charges for termination of A2P SMS raised by TSPs but not acceded during last review of TCCPR in February 2025 hardly ten months back.*

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28th August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications

Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123.Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There is no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

***III. Issue of control of Spam raised by the Authority during last review of TCCPR in Feb 2025 by implementing differential tariff but it was not agreed by the TSPs as details below extracted from EM to TCCPR Second Amendment dated 12th Feb 2025:***

"(1) Identifying of spammers basis triggers of calls/SMS

**Inputs of the Stakeholders**

100. **Some stakeholders submitted that the entire section should be dropped as it is neither feasible nor practical to implement. One stakeholder was of the view that this provision is not required post strict implementation of various direction issued by TRAI.** Further, once the TM-D is brought under licensing framework, controls can be implemented at TM, PE level and such granular monitoring of customers will not be required. A few stakeholders have submitted that UCC Detect systems are already in place, however, suitable change should be made for involving TM-D in process. One stakeholder suggested that TSPs are already taking proactive actions needed to stop further communication of messages or calls identified as spam and the same shall be left to the TSPs. One stakeholder submitted that it will be difficult to identify such B party numbers who have not answered the calls because record of such incidences (missed calls) is not maintained in the network. However, other criteria as proposed may be kept."

**Analysis and conclusions**

101. UCC Detect System is meant to detect UTMs who send Unsolicited Commercial Communications in bulk and not complying with the provisions of the regulations. Schedule-IV of TCCCPR-2018 gives broad guidelines regarding the features of the UCC_Detect system. It inter alia states that the system should be capable of identifying senders on the basis of signatures. However, Access Providers have not put in place any effective UCC Detect system. Considering the increasing trend of UTM complaints, there is a necessity to put in place effective mechanisms which can augment the efforts being made against spam. It, therefore, has become necessary to make specific guidelines for the establishment of UCC Detect system. These guidelines would work as the minimum measures that an Access provider would be mandated to take to establish UCC Detect system. However, Access Providers can evolve more signals or intelligence to detect the suspected spammer. Considering the inputs suggested by the stakeholders, signal linked with the unanswered calls has not been included in the amendments.

***The issue of control of spam is being raised by the TSPs now only in order to promote differential termination charge.***

***IV. On the Proposal for Commercial Segregation of P2P and A2P Traffic***

***<u>Airtel's Position</u>:*** *Airtel argues that the mandatory interconnection regime should be strictly limited to P2P communication, requiring telemarketers to establish direct, separate interconnection arrangements with every terminating operator.*

### *STPL's Counter-Comment:*

- ***Against the applicable License and Interconnection regime:*** *The license and interconnection regime doesn't distinguish the type of traffic which is carried by the licensee and there is no segregation which is permitted by the License provisions or the applicable Regulations for the segregation as proposed. Moreover such segregation will result in market distortions and gravity shift to select market players and consolidation of the market which would be against the applicable Competition laws of the country.*
- ***Anti-Competitive Barriers to Entry:*** *Mandating direct interconnection for all telemarketers with every single terminating operator creates an insurmountable barrier for smaller TSPs and innovative startups and businesses. This approach favors large, pan-India incumbents who have the administrative and technical scale to manage thousands of direct bilateral agreements. TRAI guidelines dated 18th June 2024 already provide that Senders (such as Banks, Mutual Funds, Insurance Companies, Mutual funds, Stockbrokers, other Financial Institutions, Corporates, Enterprises, SMEs, big and small businesses, and any entity who wishes to send commercial communication to its existing or prospective customers) shall ensure that they send their commercial communications by engaging only Registered Telemarketers (RTMs) or establish the direct connectivity with the Telecom Service Provider for this purpose. This is being complied and there is absolutely no need to complicate this further by mandating all Telemarketers to to establish direct arrangements with every terminating operator.*
- ***Technical Redundancy and Complexity:*** *Requiring separate physical or logical Points of Interconnection (PoIs) for A2P traffic is a regressive step. In an **All-IP network environment**, traffic should be managed via **software-defined policy and logical tagging (headers)** rather than physical segregation. Mandating separate "P2P-only" pipes would force the industry back into inefficient, siloed network architectures.*
- ***DLT is Already the Solution:*** *The Distributed Ledger Technology (DLT) ecosystem was specifically designed to provide the "direct commercial control" Airtel claims is missing. Since all A2P traffic must be scrubbed and verified against DLT templates, the "misuse of P2P pathways" is already technically mitigated. Any further mandate for separate PoIs is an unnecessary operational burden that yields no additional security benefit.*

- ***Threat to Digital Connectivity:*** *The principle of **"Any-to-Any" connectivity** is the bedrock of telecommunications. Excluding A2P traffic—which now includes critical services like **Banking OTPs, UPI alerts, and Disaster Management notifications**—from the mandatory interconnection regime would allow a terminating dominant Access operator to effectively "hold to ransom" any non-dominant Access Provider enterprise or telemarketer by denying or delaying interconnection.*
- ***Creating "Standalone Islands":*** *If interconnection for A2P is not mandatory, larger TSPs could refuse to interconnect with smaller ones for A2P traffic, forcing telemarketers to migrate entirely to larger networks. This would stifle competition and create a fragmented market where the reach of a smaller TSP is limited by the interconnection whims of a dominant TSP. This is in fact a proposal to vertically squeeze out smaller Access Providers out of serving the Enterprise customer in A2P market and such a proposal would lead to competitive issues.*
- ***Technological Inconsistency:*** *From a network engineering perspective, an IP packet carrying an SMS or a voice call does not change its "interconnection nature" based on whether it was triggered by a person (P2P) or an application (A2P). Mandating separate regulatory regimes*

*for the same bitstream adds **unnecessary technical complexity** and contradicts the goal of a unified, all-IP network architecture.*

***V. Against the Upward Revision of Charges (₹0.11-₹0.12) as a "Deterrent"***

***Airtel's Position**: Airtel proposes increasing the total A2P SMS charge from ₹0.07 to at least ₹0.12 to act as a "deterrent" against spam and to recover DLT costs.*

***STPL's Counter-Comment:***

- ***Explicit Exclusion of A2P message charges within the Consultation Paper***

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

- ***Issue of increasing charges for termination of A2P SMS raised by TSPs during last review of TCCPR in February 2025 hardly ten months back but not acceded to by the Authority***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28th August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123.Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There are no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

- ***Economic Burden on Essential Services:** A2P SMS is no longer just "promotional." It is the backbone of India's digital economy, carrying **OTP for banking, UPI transaction alerts, and government service notifications.** An 70% increase in termination charges (from ₹0.07 to ₹0.12) would impose a massive financial burden on the BFSI (Banking, Financial Services, and Insurance) sector and public services, ultimately being passed down to the Indian consumer.*

- ***Inconsistency with "Cost-Based" Principles:** Interconnection charges should be **cost-reflective**, not giving excessive multiplier just because the message is a commercial message. If the incremental cost of carrying an SMS in a modern IP network is marginal then a ₹0.12 charge represents a **super-normal profit** for terminating operators rather than a recovery of* *infrastructural cost. Even 7 paise is a super-normal profit considering cost of SMS termination would be less than a Paisa but the same may be continued being an existing market practice.*

- ***Spam is a Regulatory Problem, Not a Pricing Problem:*** *Increasing the price of a message does not stop a fraudster; it only makes legitimate communication more expensive. Spam should be controlled via* ***stringent DLT enforcement, header-template matching, and disconnecting non-compliant entities****, not by taxing the entire ecosystem.The other method to control spam is through differential tariff which was rejected by these very TSPs during consultation for TCCPR Second Amendment dated 12$^{th}$ Fen 2025*

- ***Punishing Legitimate Communication:*** *A "deterrence charge" is a non-discriminatory tax that penalizes legitimate actors. A bank sending a fraud alert or a citizen receiving a government update would be "deterred" just as much as a spammer. This 70% increase in termination costs would severely impact the* ***cost of digital transactions*** *in India, particularly for the BFSI sector.*
- ***Violation of "Cost-Based" Principles:*** *Interconnection Usage Charges (IUC) are legally required to be* ***cost-reflective****. If the incremental cost of carrying an SMS in a high-capacity IP network is marginal (approaching zero), then a ₹0.12 charge represents* ***super-normal profit*** *for the terminating TSP rather than a recovery of verifiable cost.*
- ***Global Benchmarking Misconception:*** *Airtel's comparison to countries like the UK or Brazil (where rates are higher) is misleading. India's digital economy thrives on* ***high-volume, low-cost*** *transactional communication. Applying European or American pricing to the Indian context would disrupt the delicate balance of India's low-margin digital service ecosystem.*

### *VI. DLT Implementation as an Argument for Price Hikes*

***Airtel's Position:*** *Airtel claims that the ₹0.05 additional charge is insufficient to cover the capital and operational costs of the DLT (Blockchain) ecosystem.*

### *STPL's Counter-Comment:*

- ***DLT is a Compliance Responsibility, Not a Profit Center:*** *Implementing anti-spam measures (TCCCPR/DLT) is a* ***license obligation*** *for all TSPs to ensure a clean network. TSPs should not seek to turn a mandatory compliance requirement into a separate revenue-generating stream by inflating termination charges.*
- ***Deterrence is a Regulatory, Not Pricing Objective:*** *Spam control is achieved through* ***scrubbing, header verification, and disconnecting non-compliant entities****, not by making the channel expensive. Higher prices only incentivize bad actors to find "grey routes" (like international breakout or SIM farms) to bypass legitimate domestic routes entirely.*

### *VII. Regarding SMS termination charges*

*It is submitted that SMS termination charge was fixed at 2 paise in the year 2011 on the basis of cost calculations. These cost-based termination charges for SMS needs to be reworked as it is our estimate that cost based charges now would be less than 1 paise therefore* ***it is recommended that SMS interconnection regime for P2P SMS should be on Bill and Keep basis as is the case with voice call termination charge.***

***Supporting Arguments:***

- ***Consistency with All-IP Network Evolution:*** *As the industry migrates to 4G/5G (All-IP) networks, the distinction between different traffic types (Voice, SMS, Data) disappears at the transport layer. Since voice termination is already zero, maintaining a 2 paise charge for SMS is an anachronism. In modern signaling environments (SIP/Diameter), the marginal cost of an SMS is virtually non-existent.*
- ***Fueling the UPI and Digital Banking Ecosystem:*** *SMS is the critical delivery mechanism for* ***One-Time Passwords (OTPs) and transaction alerts****. These are the "digital public goods" that power India's leadership in real-time payments. Moving to a zero-termination (Bill-and-Keep) regime will lower the operational costs for the BFSI sector and government agencies, ensuring that the cost of authentication does not become a barrier to financial inclusion for the bottom of the pyramid.*
- ***Eliminating Administrative Complexity:*** *A zero-termination regime removes the heavy administrative burden of inter-operator billing, reconciliation, and dispute resolution for billions of low-value SMS transactions. This allows TSPs to focus resources on network quality and 5G expansion rather than wholesale accounting.*

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***Summary Conclusion***

*The proposal to implement so called "deterrent" charges and mandatory segregation should be rejected. The Authority should:*

1. ***Maintain A2P within the mandatory interconnection regime*** *to safeguard universal digital reach.*
2. ***Ensure all interconnection charges remain strictly cost-based****, rejecting the "deterrence" model.*
3. ***Encourage 100% adoption of 160/140-series voice and DLT-based SMS*** *as the primary tools for spam control, rather than using pricing as a blunt and harmful instrument.*
4. ***SMS interconnection regime for P2P SMS should be on Bill and Keep basis as is the case with voice call termination charge.***

***<u>RJIL Comments:</u>***

1. We submit that there are two aspects to SMS services. The one is P2P SMS that is governed by the cost-based SMS termination charge under the SMS Termination Charges Regulations 2012, and the P2P SMS market has been running smoothly under this Regulation and accordingly, there is no need for an intervention or change in P2P SMS termination charges.

2. However, much larger proportion of messages are the A2P messages that include promotional, service and transactional messages. While the Telecom Commercial Communications Customer Preference Regulations, 2018 (TCCCPR 2018) provides for charges for such messages, however, **there remains an urgent need to provide a deterrent SMS termination charge for A2P SMS** i.e. for promotional, service and transactional SMS.

3. Despite of this urgent need to increase the deterrent charge to 12p/SMS the second amendment to TCCCPR 2018 has not intervened in this. We submit that the Authority should leverage this opportunity to revise the SMS termination charges for A2P messages to 12p/SMS. This should be over and above any carriage charge paid to the NLDOs for carrying inter-LSA SMS.

4. **We also seek additional intervention in creating a deterrent for A2P voice calls that has become**

**a bigger menace for the consumers. We submit that the Authority should prescribe a deterrent charge of Rs 0.50 per minute on A2P calls** and in case the same is not implementable then the Authority should bring these termination charges under forbearance. The deterrence termination charge for A2P SMS has shown its usefulness in substantial reduction in SMS based SPAMs and the same should be replicated.

## *STPL's Detailed Counter-Comments to RJIL's Proposal on A2P SMS and Voice Deterrence*

### *1. On the Proposal to Increase A2P SMS Termination Charges to ₹0.12/SMS*

***RJIL's Position:*** *RJIL argues for an increase in the A2P SMS "deterrent" charge from the current ₹0.07 to ₹0.12 per SMS.*

### *STPL Counter-Comment:*

***I. Explicit Exclusion Paper of A2P messages from the scope of Consultation Paper***

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under :*

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation does not envisage the review of these regulations."*

*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under **'The Telecom Commercial Communications Customer Preference Regulations, 2018'** (as amended). TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

***II. Issue of increasing charges for termination of A2P SMS raised by TSPs but not acceded during last review of TCCCPR in February 2025 hardly ten months back.***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28th August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123. Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There are no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

- ***Punishing the Digital Economy:*** *A2P SMS is the fundamental infrastructure for* ***One-Time Passwords (OTPs), bank transaction alerts, and government service notifications****. A nearly 70% increase in termination charges (from ₹0.07 to ₹0.12) would impose an immense financial burden on the BFSI (Banking, Financial Services, and Insurance) sector and digital platforms. This "tax on authentication" will ultimately be passed down to the Indian consumer, hindering the goal of affordable digital services.*
- ***Cost-Based Principles vs. Deterrence:*** *Regulatory Interconnection Usage Charges (IUC) are legally required to be* ***cost-based****. In a modern IP-based network, the incremental cost of terminating an SMS is negligible (near zero). Mandating a ₹0.12 charge is not "cost-based" but is a form of* ***regulatory over-recovery****, where TSPs seek to earn super-normal profits from essential transactional traffic.*
- ***Spam is a Compliance Issue, Not a Pricing Issue:*** *The* ***Distributed Ledger Technology (DLT)*** *ecosystem mandated under TCCCPR was specifically built to curb spam through header/template registration and scrubbing. If spam persists, it is a failure of* ***enforcement****, not a failure of pricing. Professional fraudsters are indifferent to small price hikes, whereas legitimate businesses are penalized by them.*

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***2. Against the ₹0.50/Minute Deterrent Charge on A2P Voice Calls***

***RJIL's Position:*** *RJIL seeks a "deterrent charge" of ₹0.50 per minute on A2P calls to check robo-calls.*

### *STPL Counter-Comment:*

- ***Disruption of Legitimate Automated Services:*** *A2P voice is not solely for telemarketing. It is used for* ***automated flight status updates, emergency weather alerts, and 2FA (Two-Factor Authentication) calls*** *for users with visual impairments or those in areas with poor SMS delivery. A ₹0.50/minute charge—which is significantly higher than the standard zero termination charge for voice—would make these essential services economically unviable.*
- ***160-Series as the Correct Deterrent:*** *The Authority and DoT have already mandated the* ***160-series for transactional voice calls****. This provides a clear "verified" identity to users. The focus should be on ensuring 100% adoption of the 160-series and disconnecting non-compliant 10-digit callers, rather than imposing a blunt financial tax that punishes all automated voice communication.*
- ***In order to further curb the issue 1600 series needs to be allocated to other sectors making the transactional/service calls in addition to BFSI and Government.***
- ***TCCPR already provides for appropriate action in case of any misuse of 1600 resources and relevant part of the TCCCP Regulation Second Amendment dated 12th Feb 2025 is reproduced below:***

"71. Recently, 1600 series have been allotted exclusively for service and transactional calls. It is crucial to establish stringent penalties for violations originating using numbers of this series i.e. if the numbers are misused for making promotional communications, as customers would place a high level of trust in this series, and, therefore, its misuse must be severely addressed. Hence, OAP should initiate action against such violators if the number of complaints against the Sender are received from five or more unique recipients within the last ten days. For the first instance of violation, outgoing services of all telecom resources of the Sender including PRI/SIP trunks, shall be barred across all the access providers for a period of 15 days. For the second and subsequent instances of violations, all telecom resources of the Sender, including PRI/SIP trunks, shall be disconnected by all Access Providers for one year. OAP shall put the Sender under the blacklist category, and no new telecom resources shall be provided by any Access Provider to such Sender during this period. All devices used for making UCC shall also be blocked across all Access Providers for a period of one year. Only one telephone number may be allowed to be retained by such Sender during this period. The entity shall be given an opportunity to represent to the Access Providers regarding the action taken against it for UCC violation. Subsequently, it also has the right to file a complaint with the Authority."

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***3. Rejection of "Forbearance" as an Alternative***

***RJIL's Position:*** *If a deterrent charge is not implementable, RJIL suggests bringing A2P termination charges under "forbearance" (unregulated, market-driven pricing).*

### *STPL's Counter-Comment:*

- ***Risk of Monopolistic Pricing:*** *In a market with few large incumbents, "forbearance" for termination charges (where the terminating operator has a monopoly over its own subscribers) will inevitably lead to* ***predatory pricing****. Larger TSPs would have the incentive to charge smaller TSPs or new entrants exorbitant rates to reach their massive subscriber bases, thereby creating "standalone islands" and destroying the principle of universal connectivity. This would stifle competition and create a fragmented market where the reach of a smaller TSP is limited by the interconnection whims of a dominant TSP. This is in fact a proposal to vertically squeeze out smaller Access Providers out of serving the Enterprise customer in A2P market and such a proposal would lead to competitive issues.*
- ***Fragmentation of the National Network:*** *Interconnection must remain* ***mandatory and regulated*** *to ensure that India's telecom network functions as a unified whole. Market forbearance for a bottleneck resource like termination is a threat to the stability of the entire telecom sector.*

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***Conclusion***

*Reliance RJIL's proposals aim to re-monetize the interconnection layer through "deterrence," which is a regressive tool in a digital-first economy. The Authority should instead:*

1. ***Maintain strictly cost-based interconnection*** *for both SMS and Voice.*
2. ***Focus on the enforcement of TCCCPR (DLT and 160/140-series)*** *at the application layer to fight spam.*
3. ***Reject any move toward "Forbearance"*** *for termination charges, as it would lead to anti-competitive behavior and higher costs for consumers.*

***VIL Comments***

1. The current Regulation prescribes for Rs 0.02/SMS domestic termination charges, to be paid by an originating access provider to terminating access provider. We are fine with continuation of this charge.
2. On one hand, it seeks to compensate the terminating service provider and on the other hand, it serves two purposes of firstly discouraging spam through unregistered telemarketer route and secondly by removing free ride by the TSPs who do not have any (or substantial) retail subscribers but, deal with sending large volumes of bulk A2P SMS and thus, have asymmetric traffic.
3. Therefore, the Rs 0.02/SMS domestic termination charges should continue and there is no need to revise the existing SMS termination charge.
4. However, there is a need to relook and increase the commercial communication charge forA2P SMS.
5. The present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011.
6. Over the past many years especially due to TCCCP Regulation, 2018 and ensuing DLT based ecosystem, **there have been mammoth changes required in the infrastructure setup, security protocols, compliance with regulations, ongoing maintenance as well as change in field processes, to handle the commercial communications and also to put in place measures to protect the consumers from unsolicited commercial communications**.
7. It is pertinent to mention that **such mammoth changes based on regulatory mandates have led to multi-fold increase in cost for TSPs including the increase due to inflationary trends. However, Rs. 0.05 charge has not undergone revision for past more than a decade and does not reflect true market conditions.**
8. Considering all above, we strongly **urge the Authority to revise and increase the existing Rs. 0.05 SMS commercial communication charge to Rs. 0.10 per SMS. This along with Rs 0.02 per SMS termination charges, will making it to Rs 0.12 per SMS uniform commercial communication charge for A2P SMS.**

## *STPL's detailed Counter-Comments to VIL's Proposal on Increasing A2P SMS Charges*

### *1. On the Proposal to Increase Commercial Communication Charges to ₹0.10/SMS*

***VIL's Position:*** *VIL argues that because of "mammoth changes" in infrastructure due to DLT and TCCCPR 2018, the commercial communication charge should be doubled from ₹0.05 to ₹0.10.*

## *STPL's Counter-Comment:*

### *I. Explicit Exclusion Paper of A2P messages from the scope of Consultation Paper*

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework.Para 2.139 states as under :*

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation **does not envisage the review of these regulations**."(Emphasis Supplied)*

*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under* ***'The Telecom Commercial Communications Customer Preference Regulations, 2018'*** *(as amended). The TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

***II. Issue of increasing charges for termination of A2P SMS raised by TSPS but not acceded during last review of TCCPR in February 2025 hardly ten months back.***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28th August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018 " and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12th February 2025 records as under:

"123. Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There are no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

- ***Punishing the BFSI Sector and Digital India:*** *An increase from ₹0.05 to ₹0.10 (a 100% hike in the commercial component) would have a cascading effect on the cost of financial transactions. India's digital economy relies on* ***high-volume, low-margin transactional alerts and OTPs****. Doubling this cost would directly increase the service fees charged by banks and fintechs to end-users, potentially slowing down the adoption of digital payments in rural and semi-urban areas.*
- ***DLT is a Compliance Mandate, Not a Revenue Opportunity:*** *The implementation of DLT (Distributed Ledger Technology) and security protocols is a* ***regulatory requirement*** *aimed at protecting the network and its users. It is an operational necessity in a modern telecom environment. TSPs should not treat a mandatory security compliance project as a justification for a 100% increase in termination-related charges.*
- ***Risk of Driving Traffic to Unregulated OTT Channels:*** *If the cost of legitimate A2P SMS becomes prohibitive (reaching ₹0.12 total), enterprises will accelerate their migration to* ***Over-the-Top (OTT) platforms like WhatsApp and Telegram****. These platforms operate outside the IUC regime, leading to a permanent* ***revenue loss for TSPs*** *and removing these communications from the reach of DoT/TRAI's regulatory oversight.*

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***2. On the Rationale of Inflation and Infrastructure Cost***

***VIL's Position:*** *VIL claims that the ₹0.05 charge has not been revised for a decade and does not reflect current inflationary trends or "true market conditions."*

### *STPL's Counter-Comment:*

- ***Decreasing Cost of All-IP Networks:*** *While inflation impacts general operational costs, the* ***unit cost of carrying data (including SMS)*** *has plummeted over the last decade due to the transition from legacy TDM to* ***All-IP (NGN) networks****. In a modern packet-switched network, the marginal cost of terminating a 160-character SMS—which travels on the signaling channel—is virtually zero. [Image comparing TDM vs IP Network Architecture highlighting signaling channel efficiency]*
- ***Existing Over-Recovery:*** *The current total charge of ₹0.07 (₹0.02 termination + ₹0.05 commercial) is already significantly above the actual incremental cost of "work done." Any further increase would transition the charge from "cost recovery" to "monopolistic rent-seeking," which is contrary to the Authority's long-standing cost-based IUC principles.*

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***3. On the Use of Pricing as a Deterrent Against Spam***

***VIL's Position:*** *VIL asserts that higher charges serve to discourage spam from unregistered telemarketers.*

### *STPL's Counter-Comment:*

- ***Inefficacy of Pricing as Deterrence:*** *Spam is a* ***behavioral and enforcement problem****, not a pricing problem. Professional fraudsters and international spammers targeting bank accounts are often indifferent to a few paise increase in cost. Higher prices only "deter"* ***legitimate service providers*** *(like government agencies, schools, and small banks) while failing to stop high-value financial fraud.*
- ***DLT Enforcement is the Solution:*** *The correct tool to fight spam is* ***strict scrubbing, header validation, and disconnecting non-compliant entities*** *as per TCCCPR 2018. If a message is verified by DLT, it is by definition not spam. Therefore, taxing a "verified" DLT message with a "deterrent" charge is contradictory and punishes compliant behavior.*

***Summary Conclusion***

*VIL's proposal to double the commercial communication charge should be rejected. The Authority should prioritize* ***affordability and digital inclusion*** *by maintaining the current cost-based regime. Instead of price hikes, the focus should remain on* ***technical enforcement of DLT protocols*** *to ensure a clean network without placing an undue financial burden on India's burgeoning digital ecosystem.*

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**ISPAI Response:**

1. 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.**

2. There are several key considerations that necessitate a review and potential revision of the current SMS termination charge regime:
**a. Technological advancements** - The telecommunication industry is undergoing a significant shift from traditional telecom networks to modern IP-based networks. The 2 paise charge towards SMS termination charge remained unchanged for quite some time,& may no longer reflect the actual cost of involved to modernized the networks.
**b. Changed Market Dynamics and Bulk Usage** - There is increasing reliance on SMS traffic for critical functions (e.g., OTPs, banking alerts) and a surge in bulk SMS usage by enterprises and public service providers. The current charge needs to be examined to ensure it remains reasonable and equitable in terms of recovering actual costs and ensuring a level playing field for all market participants.
c. 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.
3. **A2P messaging, which includes promotional, service, and transactional SMS, has now grown to be substantially larger than the P2P segment. While the TCCCPR 2018 specify certain charges for these messages, ISPAI submits that there is a clear and continuing need for a strong, deterrent A2P SMS termination charge to effectively curb unsolicited commercial communication.**
4. Despite the well-established requirement for strengthening this deterrent, the Second Amendment to TCCCPR 2018 did not address the matter. We therefore urge the Authority to use the present consultation to revise the A2P SMS termination charge upward, alongside any carriage charges payable to NLDOs for inter-LSA message transport.
5. In addition, A2P voice calls have now become an even more serious source of consumer disturbance. **ISPAI requests the Authority to prescribe a deterrent termination charge for A2P voice calls as well.** If introduction of such a charge is not feasible within the existing framework, the Authority may alternatively consider placing A2P call termination charges under forbearance. The demonstrable success of deterrent A2P SMS termination charges in reducing SMS-based spam clearly indicates that similar measures are required to address the rapidly growing problem of A2P voice spam.

**Our Recommendation:**

a. IUC SMS charge of 2 paise should be reviewed on cost-based and work done; principle.
b. SMS Termination charge on promotional SMS should be reviewed upward and increase **from up to 5 paise (₹0.05) termination charge to 7 paise**, in order to further curb misuse and discourage spam.

6. **Further, all international SMS traffic (including A2P messages) must be routed through ILDO gateways for ensuring regulatory oversight and prevention of bypassing the ILD networks.**

Considering the fact that the interconnection framework serves as the backbone, ensuring all stakeholders involved (MNOs, aggregators, ILDOs) adhere to standardized routing and reporting processes, therefore, TRAI should ensure enforcement of SMS Aggregation directions for routing of all international SMS through ILDOs with definitive cost of SMS termination in line with the SMS termination charges defined for inter access operator handover.

***Detailed Counter-Comments to ISPAI's Proposal on SMS and Voice Interconnection***

***1. On the "Work-Done" Principle for SMSC-only Operators***

***<u>ISPAI's Position</u>:*** *ISPAI argues that an operator with only an SMSC should pay more in termination charges than a full-fledged TSP (with BTS/BSC/MSC), because they have not established a large mobile network.*

### *STPL's Counter-Comment:*

- ***Discriminatory and Anti-Competitive:*** *This proposal seeks to create a two-tiered interconnection regime based on the type of licensee rather than the cost of the service. In an IP-interconnection environment, the "work done" by the terminating network to deliver an SMS is the same, regardless of whether the originator is an MNO or otherwise . Imposing higher charges on non-MNOs would be a clear violation of the* ***Non-Discriminatory Interconnection*** *principle and would stifle competition from smaller players and VNOs.*
- ***Technological Misrepresentation:*** *An SMSC-only operator (typically a SIP-based service provider) uses its own* ***IP Core and Signaling gateways*** *to originate traffic. While they may not have cell towers, they bear significant costs in maintaining* ***carrier-grade data centers, security firewalls, and DLT integrations****. Penalizing them for having a more efficient, modern network architecture is a regressive approach to telecom policy.*

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***2. Against the Upward Revision of Charges (₹0.07 for Promotional SMS)***

***<u>ISPAI's Position</u>:*** *ISPAI recommends increasing the promotional SMS charge from ₹0.05 to ₹0.07 to curb spam.*

### *STPL's Counter-Comment:*

***I. Explicit Exclusion Paper of A2P messages from the scope of Consultation Paper***

*As explicitly noted in* ***para 2.139 of the Consultation Paper****, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under :*

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*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under* ***'The Telecom Commercial Communications Customer Preference Regulations, 2018'*** *(as amended). The TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

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**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There are no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

- ***Punishing the BFSI Sector and Digital India:*** *An increase from ₹0.05 to ₹0.10 (a 100% hike in the commercial component) would have a cascading effect on the cost of financial transactions. India's digital economy relies on* ***high-volume, low-margin transactional alerts and OTPs****. Doubling this cost would directly increase the service fees charged by banks and fintechs to end-users, potentially slowing down the adoption of digital payments in rural and semi-urban areas.*
- ***DLT is a Compliance Mandate, Not a Revenue Opportunity:*** *The implementation of DLT (Distributed Ledger Technology) and security protocols is a* ***regulatory requirement*** *aimed at protecting the network and its users. It is an operational necessity in a modern telecom environment. TSPs should not treat a mandatory security compliance project as a justification for a 100% increase in termination-related charges.*
- ***Risk of Driving Traffic to Unregulated OTT Channels:*** *If the cost of legitimate A2P SMS becomes prohibitive (reaching ₹0.12 total), enterprises will accelerate their migration to* ***Over-the-Top (OTT) platforms like WhatsApp and Telegram****. These platforms operate outside the IUC regime, leading to a permanent* ***revenue loss for TSPs*** *and removing these communications from the reach of DoT/TRAI's regulatory oversight.*

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***3. On Mandatory ILDO Routing for all International A2P SMS***

***ISPAI's Position:*** *All international SMS (including A2P) must be routed through ILDO gateways, and TRAI should enforce definitive termination costs for these.*

### *STPL's Counter-Comment:*

- ***Need to fix termination charges for international SMS****: Currently, international SMS termination is under* ***forbearance*** *(commercially negotiated). Mandating ILDO routing for all international SMS traffic may be done in conjunction with determination of* ***termination charges for international SMS by the Authority to bring the requisite regulatory certainty.***

***Supporting Arguments:***

- ***Ending Market Distortion and Revenue Leakage:*** *International SMS termination has been under "forbearance" for too long, leading to a highly distorted market where foreign entities pay arbitrarily varied rates to terminate messages in India. Standardizing this charge will ensure* ***level playing field*** *and prevent large integrated operators from using their scale to undercut standalone ILDOs.*
- ***Curbing International Spam:*** *A defined, standardized international rate acts as a natural barrier against foreign bot-networks that exploit unregulated, low-cost routes to flood Indian subscribers with international spam and phishing messages. Standardizing the rate at the gateway level simplifies the enforcement of* ***traceability and security protocols*** *mandated by the DoT.*

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***4. Against Deterrent Charges for A2P Voice Calls***

***<u>ISPAI's Position:</u>*** *ISPAI proposes deterrent charges or forbearance for A2P voice calls to address spam.*

### *STPL's Counter-Comment:*

- ***Harming Consumer-Centric Services:*** *Automated voice calls are used for* ***critical alerts*** *(e.g., flight delays, power outage notifications, security breach alerts). Imposing "deterrent" prices would make these consumer-centric services unviable.*
- ***160-Series is the Correct Solution:*** *The Authority has already provided the* ***160-series*** *to verify legitimate service calls. The solution to spam is to* ***block unauthorized 10-digit telemarketing****, not to tax the entire A2P voice ecosystem through punitive pricing.*

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**<u>COAI Response</u>**

a) The TRAI SMS Termination Charges Regulations, 2013, standardized SMS termination fees to prevent anti-competitive pricing and ensure fair access across networks. This regulation prescribed the cost-based charges at 2 paise per SMS.

b) The SMS market has been running smoothly under this Regulation. There is **no market failure which would justify a review of SMS termination charge.** Thus, we submit that there is no need for an intervention or change in SMS termination charges.

c) **However, there is a pending related reform i.e. increase in commercial communication termination charges for A2P messages due to the huge financial and human investment being made in the massive blockchain based DLT under TCCCPR, 2018 and to reinforce anti-spam safeguards. Therefore, we recommend that the same should be fixed at Rs 0.10/SMS (which cumulatively translate to Rs 0.12/SMS after including Rs 0.02/ SMS termination charge) which shall act as a deterrent to the ongoing misuse of A2P channel.**

### *STPL's Detailed Counter-Comments to COAI's Proposal on A2P SMS and DLT-Linked Charges*

***I. Explicit Exclusion Paper of A2P messages from the scope of Consultation Paper***

*As explicitly noted in **para 2.139 of the Consultation Paper**, this regulatory consultation exercise does not envisage a review of the subject matters related to A2P SMS—namely promotional, service, and transactional messages. The Authority has clearly signaled that these categories, along with the management of unsolicited commercial communication such as spam, are distinct from the primary interconnection framework. Para 2.139 states as under :*

*"2.139. As discussed above in para 2.121, the subject matters of A2P promotional, service and transactional SMSs along with those related with unsolicited commercial communication such as spam SMSs are dealt under 'The Telecom Commercial Communications Customer Preference Regulations, 2018' (as amended from time to time), present consultation **does not envisage the review of these regulations**."(Emphasis Supplied)*

*A2P messaging and the measures required to curb spam are rightfully and comprehensively dealt with under **'The Telecom Commercial Communications Customer Preference Regulations, 2018'** (as amended). The TCCCPR 2018 provides a specialized, technology-driven ecosystem—including Blockchain-based Distributed Ledger Technology (DLT)—designed specifically to manage the unique nature of commercial communications, which operates under fundamentally different principles than standard network interconnection.*

***It is our submission that all arguments relating to A2P Voice /SMS termination charges should not be considered at this stage in view of specific exclusion of the same from the scope of the Consultation Paper.***

***II. Issue of increasing charges for termination of A2P SMS raised by TSPS but not acceded during last review of TCCPR in February 2025 hardly ten months back.***

*Issue of increasing charges for termination of commercial SMS was also raised by the Operators during the consultation conducted by the Authority vide its consultation paper dated 28$^{th}$ August 2024 on the issue of "*Review of the Telecom Commercial Communications Customer Preference Regulations, 2018" and Para 123 of the Explanatory Memorandum to the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 dated 12$^{th}$ February 2025 records as under:

"123.Some stakeholders suggested that the present charge of Rs. 0.05 per SMS was introduced by TRAI through a Regulation in the year 2011 and since then huge costs being undertaken by TSPs to implement regulatory requirements. These stakeholders urged the Authority to revise the existing charge upwards applicable on all categories."

**It is clear from above that issue of increasing termination charges for A2P SMS was raised recently by the TSPs and same was not acceded to by the Authority as above. There are no compelling change in the situation since February 2025 to warrant reconsideration of this decision**.

***III. On the "Work-Done" vs. "Deterrence" Contradiction***

*COAI argues that the charge should be increased to ₹0.10/SMS to "better reflect the work done on DLT related implementations."*

***STPL's Counter-Comment:***

- ***Punishing the BFSI Sector and Digital India:** An increase from ₹0.05 to ₹0.10 (a 100% hike in the commercial component) would have a cascading effect on the cost of financial* *transactions. India's digital economy relies on **high-volume, low-margin transactional alerts and OTPs**. Doubling this cost would directly increase the service fees charged by banks and fintechs to end-users, potentially slowing down the adoption of digital payments in rural and semi-urban areas.*

- ***DLT is a Compliance Mandate, Not a Revenue Opportunity:** The implementation of DLT (Distributed Ledger Technology) and security protocols is a **regulatory requirement** aimed at protecting the network and its users. It is an operational necessity in a modern telecom environment. TSPs should not treat a mandatory security compliance project as a justification for a 100% increase in termination-related charges.*
- ***Risk of Driving Traffic to Unregulated OTT Channels:** If the cost of legitimate A2P SMS becomes prohibitive (reaching ₹0.12 total), enterprises will accelerate their migration to **Over-the-Top (OTT) platforms like WhatsApp and Telegram**. These platforms operate outside the IUC regime, leading to a permanent **revenue loss for TSPs** and removing these communications from the reach of DoT/TRAI's regulatory oversight.*

- ***Confusing Compliance with Commercial Gain:** The **Distributed Ledger Technology (DLT)** framework was mandated by TRAI under TCCCPR 2018 as a compliance tool to protect consumers, not as a profit-generating infrastructure for TSPs. Implementing anti-spam safeguards is a regulatory obligation of the license. Treating DLT costs as a justification for a 100% hike in termination fees is a violation of the principle that interconnection charges should be strictly **cost-based and transparent**.*
- ***Decreasing Unit Costs in IP-Networks:** While there was an initial CAPEX for DLT, the **operational cost of terminating an IP-based SMS** has significantly decreased over the last decade due to the shift from TDM to all-IP networks. COAI's request for a ₹0.10 charge is an attempt at **regulatory over-recovery**, where the charge exceeds the actual incremental cost of "work done" by several orders of magnitude.*

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***2. Against "Deterrence" as a Basis for Interconnection Charges***

*COAI proposes a ₹0.12 cumulative charge to act as a "deterrent" to A2P channel misuse.*

### *STPL's Counter-Comment:*

- ***Pricing Does Not Solve Enforcement Problems:** Deterrence against spam is achieved through **scrubbing, disconnecting fraudulent entities, and blacklisting headers**, which the DLT system already provides. If a message is verified and scrubbed against a registered template, it is **legitimate communication**. Imposing a "deterrent" charge on a legitimate bank OTP or disaster alert is irrational and punishes compliant behavior.*
- ***Inflation of Digital Transaction Costs:** A2P SMS is the backbone of **UPI, banking alerts, and 2-Factor Authentication**. Doubling the termination fee will directly increase the cost of doing business for SMEs and fintechs, acting as a "digital tax" that hinders financial inclusion.*

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***3. The Risk of Permanent Traffic Migration to OTT Platforms***

*COAI's proposal ignores the competitive reality of the messaging market.*

### *STPL's Counter-Comment:*

- ***Driving Traffic to WhatsApp/Telegram:*** *By pushing A2P SMS prices to artificial levels like ₹0.12, COAI is incentivizing enterprises to migrate their transactional traffic to* ***Over-the-Top (OTT) platforms****. These platforms are largely unregulated and do not contribute to the IUC regime. This aggressive pricing strategy will lead to* ***revenue cannibalization*** *for the telecom sector in the long run, as businesses seek more stable and affordable alternatives. [Image comparing SMS vs. OTT Business Messaging reach and cost structure]*

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***4. Standardizing the Status Quo for P2P but Not A2P***

*COAI admits that the P2P market is "running smoothly" under the 2013 Regulations.*

### *STPL's Counter-Comment:*

- ***Regulatory Arbitrage:*** *If the 2 paise termination charge is sufficient for P2P traffic (which uses the same physical network resources), there is no technical justification for an A2P charge being 5-6 times higher. The Authority should reject this* ***discriminatory pricing*** *model and ensure that all domestic SMS termination charges are uniform and reflective of actual network usage costs.*

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## Q15. Is there a need to prescribe SMS carriage charges when an NLDO carries SMS between the LSAs? If yes, what principles and methodology should apply? If not, kindly provide justification.

***<u>Airtel Response to Q15:</u>***

*1. At the outset, Airtel would like to state that it concurs with the Authority's observation in the instant Consultation Paper that the extant regulatory framework does not explicitly prescribe charges for SMS carriage by NLDOs. However, at the same time, it may also be noted that there is no regulatory prohibition on the levy of such charges. In fact, several NLDOs have already instituted such charges in accordance with existing commercial and regulatory flexibility.*

*2. Therefore, Airtel believes that the extant framework already provides sufficient flexibility to NLDOs to charge for carriage of SMS.*

### *STPL's Detailed Counter-Comments to Airtel's Proposal on SMS Carriage Charges*

***1. On the "Sufficiency" of the Extant Framework***

*Airtel claims that the lack of explicit regulation already provides "sufficient flexibility" and that NLDOs are already charging for carriage.*

### *STPL's Counter-Comment:*

- ***Flexibility leads to Opaque Pricing:*** *The "flexibility" mentioned by Airtel translates to* ***non-transparent and discriminatory pricing*** *in practice. Unlike voice carriage, which has a regulated ceiling to prevent over-recovery, unregulated SMS carriage allows dominant NLDOs* *to charge arbitrary rates. This creates a high degree of business uncertainty for originating operators who are unable to predict or contest these "instituted charges**. Also without specific mention of NLD carriage charges under IUC regulation there is no flexibility provided under the current IUC regulations to charge for NLD carriage of SMS.***

- ***Failure of Forbearance:*** *Historically, TRAI has moved from forbearance to regulation (e.g., in voice termination and domestic SMS termination) precisely because dominant players used their market power to impose "unilateral and non-cost-based charges." Airtel's argument for continued forbearance ignores this well-documented history of market failure where "flexibility" was used as a tool for revenue maximization rather than fair competition.*

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***2. On the Risk of Anti-Competitive Behavior and "Vertical Squeeze"***

*Airtel notes that several NLDOs (which are often the infrastructure arms of large integrated TSPs) have already instituted these charges.*

### *STPL's Counter-Comment:*

- ***Preferential Treatment and Cross-Subsidization:*** *Vertically integrated TSPs that own both Access and NLDO licenses can offer "zero or subsidized" carriage to their own internal enterprise messaging arms while charging the maximum possible "commercial" rates to standalone competitors. This creates a **vertical squeeze**, effectively pricing smaller players out of the A2P SMS market and stifling innovation in niche enterprise use-cases.*
- ***Barriers to New Entrants:*** *For a new operator or a LSA-specific service provider, having to negotiate carriage for every LSA without a regulatory benchmark is an insurmountable barrier. Prescribing a **cost-based carriage ceiling** is essential to ensure that pan-India connectivity remains an accessible resource for all, not just for large incumbents.*

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***3. The Technical Necessity for Cost-Based Recalibration***

*Airtel argues that there is no regulatory prohibition on these charges, suggesting they should remain unregulated.*

### *STPL's Counter-Comment:*

- ***Efficiency of Modern IP-Signaling:*** *As networks shift to all-IP architectures, the cost of carrying an SMS (which is a 160-character signaling packet) has reached near-zero levels. Leaving carriage charges to "commercial flexibility" allows NLDOs to charge rates that are disconnected from the actual "work done." A cost-based review by TRAI is necessary to ensure that the gains from technological modernization are passed on to the digital economy, rather than being retained as monopolistic rents.*

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***Summary Conclusion***

*The Authority should reject Airtel's argument for continued forbearance. Instead, TRAI should:*

1. ***Prescribe a cost-based ceiling for SMS carriage*** *to ensure transparency and non-discrimination.*
2. ***Harmonize the SMS carriage regime with voice****, preventing arbitrary price hikes in the A2P segment.*
3. ***Ensure a level playing field*** *for standalone NLD operators and smaller TSPs by providing a clear regulatory benchmark for inter-operator settlements.*

**RJIL Response:**

1. Yes, SMS carriage is an important activity carried out by NLDOs, and we agree with the Authority that there is a need to assess whether suitable compensation for the SMS carriage by the NLDOs should be mandated.
2. **However, instead of getting into the cost-based calculations to fix the carriage charge, the Authority is requested to provide an appropriate ceiling for NLDO carriage of SMS. This can be set at Rs. 0.05 per SMS.**

### *STPL's detailed Counter-Comment to RJIL's Proposal*

#### *1. Rejection of the Arbitrary 5 Paise Ceiling*

***RJIL's Position:*** *RJIL requests a ceiling for NLDO carriage of SMS set at 5 paise per SMS, arguing against the need for detailed cost-based calculations.*

### *STPL's Counter-Comment:*

- ***Economic Irrationality:*** *A 5 paise carriage charge is* ***2.5 times higher*** *than the current domestic SMS termination charge of 2 paise. It is logically inconsistent to charge more for the simple "transport" of a message between service areas than for the complex "last-mile termination" on a subscriber's handset.*
- ***Disproportionate Pricing:*** *An SMS is a tiny signaling packet (max 160 characters). At a 5 paise carriage rate, the cost per MB of data transported would be astronomically high compared to standard 4G/5G data rates. Setting such a high ceiling allows NLDOs to extract* ***monopolistic rents*** *for a service that has nearly zero marginal cost in modern IP-based signaling networks.*

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#### *2. The Necessity of a Cost-Based Methodology*

***RJIL's Position:*** *RJIL suggests bypassing cost-based calculations in favor of a flat ceiling.*

### *STPL's Counter-Comment:*

- ***Transparency and Accountability:*** *Interconnection charges must be* ***cost-based and transparent*** *to prevent market distortion. Bypassing a cost-based review in favor of an arbitrary ceiling allows dominant integrated operators to hide inefficiencies and cross-subsidize their retail operations at the expense of standalone players and consumers.*
- ***Alignment with Voice Carriage:*** *Voice carriage charges in India have historically been reviewed and reduced based on actual network costs (moving from distance-based to a flat 65 paise ceiling). SMS carriage should follow the same rigorous* ***"work done" principle*** *to ensure that the charges reflect the efficiency gains of 4G/5G infrastructure.*

***3. Impact on Digital Inclusion and the A2P Ecosystem***

## ***STPL's Counter-Comment:***

- ***A Tax on Digital Authentication:*** *The vast majority of inter-circle SMS traffic today is* ***A2P traffic (OTPs, banking alerts, government notifications)****. A 5 paise carriage charge would significantly increase the cost of authentication for banks and fintechs. This would lead to a "digital tax" on every UPI transaction and potentially force essential services to move away from the secure SMS channel to unregulated OTT platforms.*
- ***Hindering Small and New Operators:*** *A high carriage ceiling acts as a barrier for smaller operators and new entrants who rely on NLDOs for pan-India reach. It reinforces the dominance of large incumbents who can internalize these costs through their own NLD networks.*

***Summary Conclusion***

*The Authority should reject the 5 paise ceiling proposal as it is not grounded in any technical or economic reality. We recommend:*

1. ***Conducting a rigorous cost-based study*** *to determine the actual cost of SMS carriage in modern IP networks.*
2. ***Setting a nominal carriage charge (if any)*** *that is a small fraction of the 2 paise termination charge, reflecting the minimal "work done" in transport.*
3. ***Ensuring that the carriage regime remains non-discriminatory*** *to prevent large integrated operators from creating an unfair "vertical squeeze" on the A2P market.*

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**Q22. Is there a need to address the issue of telemarketing and robo-calls within the interconnection framework? If yes, kindly provide your inputs on the possible approaches.**

**Kindly justify your response.**

**Airtel Response to Q22:**

1. Yes, there is a strong need to address the issue of telemarketing and robo-calls within the interconnection framework.

2. A possible approach in this regard is the mandatory segregation of P2P and A2P traffic – with the scope of mandatory interconnection limited to P2P traffic only, and direct interconnection of telemarketers with terminating operators for A2P traffic under mutually agreed commercial terms. The same is discussed in detail in the subsequent paras.

3. The mandatory interconnection regime was originally conceived to ensure uninterrupted P2P voice and SMS communication across networks. However, A2P traffic, which is commercial in nature and fundamentally different from P2P communication, has over time been inadvertently routed through the same PoIs meant for P2P traffic. Initially adopted as a practical workaround when A2P volumes were low and IUC was non-zero, this blended routing practice has since become widespread. While regulatory mechanisms like the TCCCPR framework have evolved to manage UCC, the use of P2P

interconnection pathways for A2P traffic has continued unchecked.

4. This misuse has become one of the key enablers of the spam epidemic in telecom networks. By routing A2P traffic through P2P pathways, telemarketers avoid entering into direct agreements with terminating operators, agreements that usually include spam control mechanisms, such as usage-based tariffs, disconnection clauses, and commercial penalties. As a result, operators lose the ability to identify and filter spam at the network level, and customers continue to receive a high volume of unsolicited messages and robo-calls with no effective avenue for recourse.

5. In addition to the above, it is important to highlight that several Access Service licensees, despite having negligible or no active subscriber base, have secured interconnection arrangements and PoIs solely to terminate A2P traffic sourced from aggregators and call centers. Because bulk communication providers operate from limited geographic hubs, these licensees can easily deploy PRIs at those locations, collect large volumes of A2P traffic, and terminate it onto the networks of major operators.

6. The current zero voice termination charge and very low SMS IUC allow such operators to retain a disproportionate proportion of A2P revenues with minimal investment, while major operators, after investing heavily in spectrum resources and nationwide infrastructure – receive only a marginal share. Moreover, a significant share of spam and fraudulent calls/SMS received by millions of our subscribers originates from these bulk routes.

7. Thus, the lack of distinct PoIs for A2P traffic has led to billing ambiguities, degraded quality of service and erosion of customer trust. Additionally, it disincentivizes investment in more sophisticated spam detection and mitigation tools, as the very architecture of traffic routing prevents proper classification and control.

8. To restore regulatory integrity and protect customers, it is imperative that A2P traffic be excluded from the mandatory interconnection regime and handled exclusively through commercial agreements between operators and telemarketers. Such segregation of P2P and A2P traffic – through distinct interconnection agreements supported by dedicated PoIs is essential to curtail spam and fraudulent communication, uphold regulatory compliance, strengthen customer trust, and ensure that operators receive fair commercial compensation for network usage.

9. As an alternative to the above, appropriate deterrent charges may be introduced for A2P SMS and calls. Please refer to the response to Q14, where detailed justification has been provided for revision of the overall termination charge on domestic commercial SMS from the existing level of ₹0.07 to at least ₹0.11-0.12 (₹0.02 + additional charge of ₹0.09-0.10).

10. Similarly, Airtel urges the Authority to intervene decisively in addressing the escalating misuse of A2P voice calls, which has emerged as an even greater nuisance for customers than A2P SMS. While commercial SMS have still been regulated through an additional charge of ₹0.05 under the TCCCPR, A2P calls have gone completely unchecked thus far – leading to a significant issue of telemarketing and robo-calls.

11. **In this regard, Airtel submits that the Authority should mandate a deterrent charge of say, ₹0.50/minute, on all A2P voice calls. Should the implementation of such a charge pose operational constraints, Airtel respectfully requests the Authority to place A2P call termination charges under forbearance, thereby enabling market-driven mechanisms to address this growing concern. termination charges under forbearance, thereby enabling market-driven mechanisms to address this growing concern.**

12. In addition, to ensure accurate billing and full transparency for PEs, delivery reports of A2P SMS should be handed over directly to each PE by every operator through their respective DLT nodes. This would enable PEs to validate the actual network-level submission and delivery status before initiating payments. Operators may publish PE-wise SMS submission and delivery reports generated at the network layer either on the DLT platform or on the PE's designated SFTP endpoints, ensuring end-to-end traceability and auditability of enterprise traffic. This shall enable PEs to gain visibility into actual delivery, routing, and billing, promoting trust and increased adoption of regulated telecom channels.

13. Therefore, Airtel recommends the following:

a. Commercial segregation of P2P and A2P traffic should be mandatory.

b. The scope of the mandatory interconnection regime should be strictly limited to P2P voice and SMS communication only, thereby preserving the original intent of seamless subscriber connectivity.

c. Telemarketers should be required to establish direct interconnection arrangements with terminating operators under mutually agreed commercial terms, including tailored IUCs and anti-spam safeguards.

d. As an alternative, appropriate deterrent charges should be imposed on A2P SMS/calls. i. The overall termination charge on domestic commercial SMS should be revised from the existing level of ₹0.07 (₹0.02 + additional charge of ₹0.05 under the TCCCPR) to at least ₹0.11-0.12 (₹0.02 + additional charge of ₹0.09-0.10).

ii. A deterrent charge of say, ₹0.50/minute, should be introduced for A2P calls.

e. Further, delivery reports of A2P SMS should be handed over directly by operators to PEs.

### *STPL's Detailed Counter-Comments to Airtel's Proposal*

*We strongly oppose Bharti Airtel's recommendation to mandate the commercial segregation of P2P and A2P traffic and the introduction of punitive "deterrent" charges. Airtel's proposal seeks to fundamentally dismantle the mandatory interconnection regime—the bedrock of universal digital connectivity—in favor of a* ***monopolistic, bilateral commercial model*** *that would cripple enterprise communication and financial services in India. We also reiterate our counter comments given in the introductory section on the subject including Section IV and Section V..*

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#### *1. On the Mandatory Segregation of P2P and A2P Traffic*

***Airtel's Position:*** *Airtel argues for the exclusion of A2P traffic from the mandatory interconnection regime, requiring telemarketers to establish direct, commercially negotiated agreements with terminating operators.*

### *STPL's Counter-Comment:*

- ***Technical and Operational Impossibility:*** *Modern All-IP (4G/5G) networks do not possess a native, hardware-level method to physically segregate "Application" packets from "Person" packets at the point of interconnect (PoI). Mandating separate physical PoIs for A2P traffic would require* ***massive redundant CAPEX*** *and introduce significant latency, especially for time-critical messages like OTPs and emergency alerts.*
- ***Abuse of Terminating Monopoly:*** *Every operator holds a* ***100% monopoly*** *over reaching its own subscribers. By removing A2P from the mandatory interconnection regime, Airtel is seeking to leverage this monopoly to force enterprises and aggregators into unfair, one-sided*

*commercial terms. This would destroy the competitive neutrality of the telecom sector and lead to* ***unfettered price hikes*** *for critical banking and government services.*

***2. Against the Punitive 50 Paise/Minute A2P Voice Deterrent Charge***

***Airtel's Position:*** *Airtel proposes a deterrent charge of ₹0.50/minute for A2P voice calls or placing them under forbearance.*

### *STPL's Counter-Comment:*

- ***Harming Legitimate Automation:*** *A2P voice is not just for robocalls; it is a vital tool for* ***visually impaired accessibility, automated disaster warnings, and bank-fraud alerts*** *that require an immediate response. A ₹0.50/minute charge—which is over 1000% higher than the current cost of voice termination—would make these socially critical services economically unviable.*
- ***Forbearance as a Tool for Market Distortion:*** *Placing A2P voice under "forbearance" is a recipe for* ***monopolistic exploitation****. Dominant incumbents would have the power to block or price-out automated calls from any competitor or enterprise that does not agree to their proprietary terms, effectively creating a "walled garden" for business communication.*

***3. On the Mischaracterization of Smaller Licensees***

***Airtel's Position:*** Airtel claims smaller licensees with no active subscribers are using PoIs solely for A2P traffic to "retain a disproportionate share of revenue."

### *STPL's Counter-Comment:*

- ***Protecting Innovation and Niche Operators:*** *The licensing framework in India allows for various categories of service providers (VNOs, Access Providers, etc.) to offer specialized enterprise services. Airtel's characterization of these innovative, leaner players as "misusing" PoIs is a protectionist attempt to* ***eliminate competition from more efficient aggregators*** *who can offer better value to enterprises than legacy TSPs.*

***4. Sufficiency of DLT and TCCCPR Safeguards***

### *STPL's Counter-Comment:*

- ***Double-Counting Costs:*** *As Airtel admits, A2P SMS is already subject to an additional deterrent charge under the TCCCPR. Increasing this yet again, or adding a carriage layer deterrent, is* ***unjustified double-taxation****.*
- ***The Real Solution is Enforcement:*** *Instead of shifting to a "forbearance" regime that enriches incumbents, the Authority should focus on* ***strengthening DLT compliance*** *and ensuring that operators take strict action against their own enterprise clients who violate spam norms.*

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***Summary Conclusion***

*The Authority should maintain the* ***sanctity of the mandatory interconnection regime*** *for all types of traffic. Airtel's proposal would:*

1. ***Impose a massive cost burden*** *on India's digital public infrastructure (OTPs, Banking, Governance).*
2. ***Stifle competition*** *from smaller, specialized enterprise service providers.*
3. ***Create a lack of transparency*** *by moving essential communications into the realm of opaque, bilateral commercial "forbearance."*
4. *We also reiterate our counter comments given in the introductory section on the subject including Section IV and Section V.*

*We urge the Authority to* ***reject the proposal for A2P segregation and deterrent pricing****, and instead focus on cost-based efficiency for the benefit of the end-consumer.*

**RJIL Comments**:

1. This is a key issue requiring the intervention by the Authority. We are providing a solution to address this issue. Under the existing interconnection framework, the Points of Interconnection (PoIs) established between operators carry both Person-to-Person (P2P) and Application-to-Person (A2P) voice and SMS traffic.

2. **Several Unified Licensees (Access Service)—including entities such as TTL, RCom, Videocon, Ring central, Zoom—despite having zero or very small active subscriber bases, have entered into interconnect arrangements and obtained PoIs for terminating A2P traffic originating from aggregators and call centres.**

3. Because bulk communication providers (aggregators/call centres) are typically located at limited geographic locations, these licensees find it operationally easy—and commercially attractive—to deploy PRIs at these locations, collect bulk A2P traffic and terminate it on main access service provider’s network.

4. **The current regulatory regime, which prescribes zero termination charge for voice and extremely low IUC for SMS (2 paise + 5 paise), enables such operators to retain a disproportionately large share of A2P revenue with minimal network investment**. Meanwhile, TSPs like RJIL—despite of their substantial investment in spectrum, radio access network and nationwide infrastructure—receives only a negligible share of revenue from such operators.

5. A significant portion of spam and fraudulent calls/SMS received by RJIL’s 500 million subscribers also originates from these bulk routes controlled by such operators. However, due to the mandatory nature of current interconnect obligations, RJIL has limited capability to: • Selectively filter or block traffic from such operators, • impose deterrence charges, or • disconnect/penalize operators routing spam or fraudulent traffic.

6. This creates a three-fold disadvantage:
a. **Customer dissatisfaction** due to inability to effectively curb spam and fraud.
b. **Regulatory scrutiny and penalties**, as TRAI’s UCC framework assigns responsibility for detection to the terminating operator.
c. **Loss of legitimate revenue**, as smaller operators exploit zero/low IUC while leveraging RJIL’s infrastructure.

7. **Proposal to address this anomaly**

8. Historically (prior to 2010–2012), interconnection PoIs were used exclusively for P2P traffic. A2P SMS was predominantly on-net, and A2P voice was limited due to high termination charges.

9. Following the introduction of TRAI's UCC regulation and the recognition of off-net A2P traffic, the same PoIs began carrying bulk telemarketer traffic. **After voice IUC moved to a Bill-and-Keep regime, off-net A2P traffic grew substantially because originating operators retain the majority of the revenues. Consequently, several small operators have built a business model focused solely on enterprise/telemarketing traffic.**

10.It is therefore proposed that:
**a. Existing interconnection agreements should be restricted strictly to P2P traffic.**
**b. A separate, dedicated interconnection agreement must be executed for A2P traffic, with distinct commercial, technical and operational terms**.

11.While smaller operators may resist this change, it must be firmly communicated that mandatory interconnect obligations under the regulatory regime apply only to P2P traffic and not to A2P enterprise communication.

**12. Expected Benefits**
**a) Prevention of Regulatory Arbitrage**

**Telemarketers and aggregators currently exploit the zero-IUC regime for P2P SMS/voice to avoid paying commercial A2P termination rates. Under a separate A2P agreement, TSPs can prescribe deterrent termination charges (e.g., 50 paise per voice call) for A2P traffic.** This will:
• increase enterprise communication revenues, and
• discourage misuse of the P2P route by telemarketers. Originating operators will be compelled to factor this termination charge into their commercial offerings to telemarketers/aggregator, eliminating arbitrage.

b) **Logical and Operational Segregation of Traffic**

**A2P traffic will be routed exclusively through dedicated A2P PoIs, by logically separating or establishing new PoIs.** This gives RJIL the technical capability to:
• apply AI-based spam/fraud detection tools,
• block or throttle suspect traffic, and
• enforce stricter controls on enterprise routes.

c) **Improved Traceability and Accountability**

Operators must share identifiers of PRIs issued to telemarketers for promotional and transactional purposes. This will enable RJIL to maintain route-level visibility and apply filters accurately.

**d) Enforcement and Compliance**

The new P2P agreement will include penalty provisions for any operator routing A2P traffic through P2P PoIs. This creates a strong deterrent against misuse.

**13.Conclusion**

Segregating P2P and A2P traffic through separate agreements and dedicated PoIs is essential to:

• Curb spam and fraudulent calls/SMS,
• Ensure regulatory compliance,

• Restore customer trust, and
• Secure fair commercial value for the use of RJIL's network. This proposal aligns with global best practices where enterprise communication traffic is commercially and operationally distinct from retail person-to-person traffic.

## *STPL's detailed Counter-Comments to RJIL's Proposal*

*We strongly oppose the proposal submitted by Reliance Jio Infocomm Limited (RJIL) to dismantle the mandatory interconnection regime by segregating P2P and A2P traffic into separate agreements and dedicated Points of Interconnection (PoIs). This proposal is an attempt to create a private, unregulated toll-gate system that would grant dominant operators absolute control over India's digital communication landscape, leading to monopolistic pricing and the collapse of the affordable A2P ecosystem. We also reiterate our counter comments given in the introductory section on the subject.*

### *1. On the "Mandatory vs. Commercial" Misinterpretation of Interconnection*

***RJIL's Position:*** *RJIL asserts that mandatory interconnect obligations apply only to P2P traffic and that A2P traffic should be governed by private commercial terms.*

### *STPL's Counter-Comment:*

- ***Universal Connectivity is Not Selective:*** *The fundamental principle of a Unified License is to ensure that a subscriber on any network can reach a subscriber on any other network, regardless of whether the message is generated by an application or a human. RJIL's attempt to redefine "interconnection" to exclude application-based traffic is a direct violation of the* ***Any-to-Any (A2A) connectivity*** *principle.*
- ***Regulatory Overlap with TCCCPR:*** *RJIL ignores that A2P traffic is already a regulated "Activity" under the* ***TCCCPR 2018 framework****. The Authority has already established Blockchain-based DLT nodes to handle the "technical and operational" aspects RJIL claims are missing. Creating a parallel, private interconnect regime would lead to regulatory chaos and double-taxation of enterprise traffic.*

### *2. Rejection of the "Physical Segregation" via Dedicated PoIs*

***RJIL's Position:*** *RJIL proposes that A2P traffic should be routed through distinct, dedicated PoIs to apply AI-based filtering and blocking.*

### *STPL's Counter-Comment:*

- ***Technical Inefficiency and CAPEX Waste:*** *In a modern* ***All-IP/5G network****, traffic is handled as data packets. Forcing a physical or logical separation of these packets based on "intent" (A2P vs P2P) at the PoI level is technically regressive. It would require every operator to duplicate their signaling infrastructure, leading to massive, unnecessary CAPEX that will ultimately be passed on to the consumer.*
- ***A Tool for Arbitrary Blocking:*** *RJIL's proposal to "block or throttle" traffic at dedicated A2P PoIs is a significant threat to* ***Net Neutrality and Service Quality****. Dominant operators could use this "technical capability" to selectively throttle messages from competing aggregators or businesses, effectively deciding which enterprise's OTPs or alerts reach the end-user.*

### *3. On the Mischaracterization of "Smaller Operators" and Arbitrage*

***<u>RJIL's Position:</u>*** *RJIL claims smaller operators (TTL, Zoom, etc.) exploit low IUC to "retain a disproportionate share of revenue" without network investment.*

### *STPL's Counter-Comment:*

- ***Attacking Competitive Efficiency:*** *The entities named by RJIL are licensed operators providing legitimate, innovative enterprise solutions. Their "minimal network investment" is actually a sign of* ***operational efficiency*** *using cloud and IP-based technologies. RJIL is essentially asking the Authority to penalize efficient service providers to protect the high-cost legacy models of incumbents.*
- ***The "Zero Termination" Myth:*** *Voice termination is currently at zero (Bill-and-Keep) because it benefits the* ***entire ecosystem*** *by lowering costs for the end-user. RJIL's proposal to introduce a 50 paise "deterrent" carriage or termination charge is not about spam—it is about* ***revenue extraction*** *from the BFSI, e-commerce, and government sectors.*

#### *4. Impact on Customer Safety and "Spam Epidemic" Claims*

***<u>RJIL's Position</u>:*** *RJIL claims the current regime enables a "spam epidemic" because they cannot penalize originating operators.*

### *STPL's Counter-Comment:*

- ***DLT is the Solution, Not Pricing:*** *The TCCCPR 2018 already provides the Authority and TSPs with the power to* ***suspend headers, blacklist entities, and impose heavy financial disincentives*** *on the originating side. If spam is originating from certain routes, the remedy is strict enforcement of existing TCCCPR rules, not the destruction of the interconnection framework.*
- ***Risk to Legitimate Traffic:*** *A punitive pricing regime (e.g., 50 paise/call) would not stop sophisticated international fraudsters but would certainly kill* ***legitimate automated calls*** *such as fraud-detection alerts from banks, creating a massive security vacuum for the Indian consumer.*

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#### *Summary Conclusion*

*The Authority should summarily reject RJIL's proposal to segregate P2P and A2P traffic. The proposal is anti-competitive and harmful to the "Digital India" vision. We recommend:*

1. ***Strictly maintain the mandatory interconnection regime*** *for all traffic types to ensure non-discriminatory access.*
2. ***Reject any proposal for dedicated A2P PoIs****, which are technically redundant and serve only to facilitate anti-competitive throttling.*
3. ***Address Spam through TCCCPR Enforcement:*** *Use the existing DLT and "UCC Detect" systems to penalize violators rather than imposing a broad-based "digital tax" on the entire enterprise ecosystem.*
4. *We also reiterate our counter comments given in the introductory section on the subject.*

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