



VIL/P&O/TRAI/AK/2025/037
April 23, 2025

Advisor (Networks, Spectrum and Licensing)
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg (Old Minto Road),
New Delhi – 110002

Kind Attn: Shri Sameer Gupta

Subject: Comments on the TRAI's Pre-Consultation Paper on "Pre-Consultation Paper on Review of existing TRAI Regulations on Interconnection matters" dated April 03, 2025.

Dear Sir,

This is in reference to the TRAI's Pre-Consultation Paper "Pre-Consultation Paper on Review of existing TRAI Regulations on Interconnection matters" issued on April 03, 2025.

In this regard, kindly find enclosed herewith comments from Vodafone Idea Limited on the above-said pre-consultation paper.

We hope our comments will merit your kind consideration please.

Thanking you,
Yours sincerely,

For Vodafone Idea Limited

Ambika Khurana
Chief Regulatory and Corporate Affairs Officer

Enclosed: As stated above



**VIL Comments to the TRAI's Pre-Consultation Paper on
'Review of existing TRAI Regulations on Interconnection matters'
dated 03.04.2025**

At the outset, we are thankful to the Authority for giving us this opportunity to provide our comments to the TRAI Pre-Consultation Paper on Review of existing TRAI Regulations on Interconnection matters, issued on 03.04.2025.

In this regard, we would like to submit our comments as follows, for Authority's kind consideration:

1. Need of Review of Interconnect related Regulations

- a. The Interconnection related regulations have been prescribed by the Authority over more than two decades. Some of these Regulations have not been reviewed for over a decade and two as well. The last Interconnection related regulation was prescribed in 2018 and amended in 2020.
- b. In past decade, the telecom industry has deployed next generation networks thereby providing digital state of the art telecom services to consumers. As an innovative telecom player, VIL keeps deploying advanced network nodes and technical solutions, to bring in efficiency into its operations as well as for providing quality services to its customers.
- c. In contrast to above, interconnection is between two service providers and the efficiency can only be achieved if both the service providers work towards a common goal. Given the role-play of different service providers, there is a need of Authority to pitch in and regulate the sector through interconnection regulations thereby, bringing in efficiencies in the operations of service providers as well as also leading to better quality of services to consumers.
- d. The present interconnection arrangements are posing various challenges and continue to ride on various traditional and outdated inefficiencies thereby, loading avoidable costs on the sector as well as not supporting high quality services to consumers. The next generation networks and services requires an evolved and flexible interconnection regulatory norm, which are based on transparent, reciprocal, cost-based arrangements and do not lead to perpetual cross-subsidization of inefficiencies in the interconnection layers by an interconnection seeker.
- e. The perpetual cross-subsidization of inefficiencies in interconnection layers also pose a significant entry barrier for a new service provider as well as for existing service provider intending to launch services in new cities as it requires mandatory interconnection.
- f. In this regard, kindly find below our detailed Regulation-wise comments.



2. The Telecommunication Interconnection Regulation, 2018 (TIR 2018)

a. LSA based Interconnection between Service providers:

- i. In its recent recommendations on the National Numbering Plan, the Authority has envisaged moving to LSA level interconnection.
- ii. The SDCC and LDCC based interconnection are outdated and highly inefficient and given the advanced technologies being rolled-out by service providers, it is imperative that interconnection regime moves to a mandatory LSA level interconnection, without any additional charges for calls carried or transited within the network of a licensed service provider.
- iii. We strongly urge the Authority to bring out comprehensive section and questions on implementation of mandatory LSA level interconnection for both PSTN as well as mobile calls, in its upcoming consultation paper on interconnection related regulations.

b. IP based interconnection:

- i. Establishment of modern telecom networks are necessitating service providers move to an IP based interconnection from TDM based interconnection, as the better and advanced quality codecs on IP based interconnection will improve consumer experience and also bring in network efficiency.
- ii. Given that certain network elements in the network support TDM based interconnection at present, there should be a progressive shift to mandatory implementation of the IP based interconnection, with phase-wise targets for all service providers. The phase-wise approach will help avoid immediate discarding of equipment as well as avoiding high capex costs in purchasing new equipment at one-point in time.
- iii. Therefore, we strongly urge the Authority to bring in a comprehensive section on challenges to implement mandatory IP based interconnection and possible phase-wise plans, in its upcoming consultation on interconnection related regulations.

- c. Conditions for Exit from Interconnection points/POIs:** At present, the TIR prescribes conditions related to the entry point of interconnection i.e. for seeking of new and additional ports, its process, timelines, costs etc. However, there are no clear conditions related to the exit point of interconnection i.e. for surrendering of all/partial ports or the POI. It is desirable that clear regulatory norms related to ports/POI surrender in terms of process, timelines and costs, are also consulted in detail through upcoming consultation and prescribed thereafter.



d. Ports prior to 01.02.2018:

- i. The TIR 2018 prescribed for division of ports on the basis of outgoing traffic and each service provider to seek ports to meet the requirement of its outgoing traffic after 2 years from establishment of initial interconnection. However, although paras 32 and 34 of the explanatory memorandum to TIR 2018 noted the view of certain stakeholders that such division of ports should be based on each party bearing the cost of interlinking media (ie. underlying transmission media for POI connectivity), para 39 delineating the Authority's decision did not give any rationale for non-consideration of this aspect without which the division of ports envisaged under TIR 2018 is rendered futile. We would request the re-inclusion of this crucial aspect in the upcoming consultation paper.
- ii. Further, the TIR 2018 through first amendment, allowed port and infrastructure charges for all ports provided before 01.02.2018 to continue to be payable as per the terms and conditions which were applicable to them before 01.02.2018. This creates a further disincentive on division of ports under TIR 2018 and creates a more non-equitable interconnection framework that needs to be re-consulted upon.
- iii. As you would notice that both the above are contradictory to each other and adequate efficiencies can't be achieved if the interconnection arrangements continue to follow terms and conditions that are more than 20 years old in some cases.
- iv. As a period of more than 7 years have passed whereby cost of ports and infrastructure charges have been further paid as per outdated terms and conditions existing before 01.02.2018, it is high time that port and infrastructure charges should apply on the basis of outgoing traffic of each party, (incl. cost of interlinking/underlying media), irrespective the date when the ports/POI were provisioned. This provision also creates a discrimination between the older operators and the newer players as the former continue to be saddled with legacy costs. We most humbly submit that this aspect be covered in the upcoming consultation paper.

e. Other Interconnection charges

- i. The interconnection arrangements are also fraught with various allied charges which are forced on the service providers in the name of seeker-provider relationship and brings in lot of inefficiencies and avoidable costs into play.
- ii. Some of these charges are being imposed in the name of infrastructure charges, emergency service charges, set-up charges, surrender of POIs and/links, Active link charges, Passive link charges, shifting of POIs, one-side interest on delayed payments etc.



- iii. As interconnection is mandatory, we strongly urge the Authority to deal with all the interconnection related charges, in whatever form/name, in its upcoming consultation paper and regulate the same.

3. Short Message Services (SMS) Termination Charges Regulations, 2013

- a. This Regulation prescribed 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.
- b. However, the Regulation doesn't provide for SMS carriage charges, in case NLD operator carries the SMS over NLD's signaling network from originating access provider and hands over to the terminating access provider in a different LSA. This poses challenges for service providers intending to take single/multiple LSA authorisation to serve niche use cases but, without intending to build a pan-India interconnected NLD network.
- c. Therefore, it is important that an 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.

4. The Telecommunication Interconnection Usage Charges Regulation, 2003

a. TAX Transit charge and Transit Carriage Charges to be Reviewed:

- i. As explained above, it is important to move to a mandatory LSA based interconnection to bring in efficiencies and remove avoidable costs.
- ii. While moving to LSA based interconnection may take certain time in terms of augmentations of new POIs, as an immediate interim measure, the current Transit carriage charges should be reviewed and made NIL (Zero). This will also encourage TSPs to move to LSA based interconnection at the earliest possible. We humbly request the Authority to include this in the upcoming consultation paper.
- iii. As already mandated by the Authority there can be no TAX transit charge in case to switches of the TSP are collocated.

b. Termination charges for International voice calls to be increased

- i. Spam and scam calls and messages have become a significant nuisance for Indian consumers, with fraudsters increasingly exploiting vulnerabilities in the telecom ecosystem. As TSP, we have taken various measures to combat this menace along with industry, including the measures under TCCPR, implementation of caller ID



authentication, AI-based spam detection and centralized databases such as the Centralized International Out-roamer database (CIOR). These steps have notably reduced CLI spoofing using Indian numbers. However, the problem persists considering the illegitimate financial benefit drawn by the scamsters, particularly with calls originating from international routes where lenient regulatory norms apply, making it imperative to address this growing concern effectively.

- ii. ITC in India is among the lowest in the world, making it financially viable for fraudsters to exploit these routes for originating spam and phishing attempts from outside India, for terminating on Indian consumers. The low ITC rate of ₹0.65/min facilitates fraudulent activities, leading to increased spam, phishing attempts and financial scams. In contrast, other countries have higher international termination rates, which also act as a deterrent against such misuse.
- iii. The implications of India's low ITC rate extend beyond consumer inconvenience and fraud. It negatively impacts Indian TSPs, reduces revenue for the Government Exchequer and creates an unfair economic scenario compared to global peers. Raising ITC rates would serve as an effective countermeasure, increasing the cost of entry for fraudsters and reducing the volume of spam and fraudulent calls.
- iv. Therefore, we request the upcoming consultation should also deal with review of termination charges for international incoming calls, with an aim of suitably increasing it in line with international benchmarks.

5. The Telecommunication Interconnection (port charges) Regulation, 2001

- a. **Review of existing port charges:** The present applicable port charges for providing port in MSC and in Tandem/Tax switch was fixed as Rs 4,000 and Rs 10,000 respectively in 2012. However, the same has not been reviewed for more than a decade now. It is extremely important that the port charges are reviewed as per present network costs and reduced substantially.
- b. **Prescribing port charges under IP interconnection:** In new interconnection arrangements, IP interconnection is being provided however, there is no reference available for port charges under IP interconnection in the TRAI Regulation. For moving into a mandatory IP interconnection, as explained above, it would be a pre-requisite to prescribe port charges for IP interconnection as well. Therefore, we request the Authority to deal with this in the upcoming consultation paper.



6. The Register of Interconnect Agreements Regulation, 1999

- a. The Regulation prescribes submission of copies of Interconnect agreements in both print form as well as soft copy, by the service providers. The related extract of the Regulation is given as follows:

"6. All service providers shall furnish to the Authority two copies each of the Interconnect Agreements along with modification(s), if any, thereto in print form, duly authenticated, along with a soft copy of it in a floppy/diskette of 3.5" size in Microsoft word software and also in such other form as may be prescribed from time to time."

- b. In this regard, we submit that seeking print copies as well as soft copies in floppy/diskette, is a traditional and outdated form of submission. In today's digital era, the print-copies and submission in floppy/diskette should be replaced with an end to end digital process.
- c. Further, the access to the Register of Interconnect agreement or copy of pages of any Interconnect agreements, should also be made available through an end-to-end digitized process. Accordingly, their respective fees should also be reviewed and realigned.

7. Additional Point

- a. Single and Unified Interconnection Regulation:

- i. As can be seen from the pre-consultation paper, there are 9 regulations related to Interconnection, which have been issued over a period of more than 2 decades.
- ii. While dealing with the redundant clauses, it would be in interest of all stakeholders if a single, simplified and merged interconnection related Regulation is issued by the Authority. In interest of Ease of Doing Business, it would bring in much relief and ease of understanding for the service providers. We request this aspect is also dealt in the upcoming consultation paper.

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8. Transit Charges for BSNL Cellone Terminating Traffic Regulation, 2005 *<No comments. Not to be kept in VIL response>*
9. The Telecommunication Interconnection (Charges and Revenue sharing) Regulation, 2001 *<No comments. Not to be kept in VIL response>*
10. The Telecommunication Interconnection (Reference Interconnect Offer) Regulation, 2002 *<No comments as of now. Not to be kept in VIL response>*
11. The Intelligent Network services in Multi Operator and Multi Network Scenario Regulations, 2006 (IN Regulation) *<No comments as of now. Not to be kept in VIL response>*