

**Telecom Regulatory Authority of India  
Notification**

New Delhi, the 3<sup>rd</sup> December 2003

No. 301-56/2003-Econ

In exercise of the powers conferred upon it under sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, the Telecom Regulatory Authority of India (TRAI) hereby makes the following order by an amendment to the Telecommunication Tariff Order, 1999 by notification in the Official Gazette, in respect of tariffs at which Telecommunication Services within India and outside India shall be provided:

**THE TELECOMMUNICATION TARIFF (TWENTY - NINTH  
AMENDMENT) ORDER, 2003  
(6 of 2003)**

**Section I**

1. Short title, extent and commencement:

- (i) This Order shall be called "The Telecommunication Tariff (Twenty Ninth Amendment) Order 2003".
- (ii) This Order shall come into force from the date of its notification in the Official Gazette.

## Section II

2.1 In Schedule IV (Leased Circuits) of the Telecommunication Tariff Order, 1999, after clause 3.e, the following clause shall be inserted namely:

<p><b>“(3.f.) E1/R2 Links for ISPs</b></p>	<p>Tariff for E1/R2 links for ISPs shall contain the following components namely Port Charges and Tariffs for Leased Line and/ or Local Leads/ End Links (each component shall be specified separately in the bill):</p> <p>(i) Port charges as per the following table:</p> <table><thead><tr><th>No.of E1/R2 ports</th><th>Port charges in Rs.</th></tr></thead><tbody><tr><td>1-16</td><td><math>N * 55,000</math></td></tr><tr><td>17-32</td><td><math>8,80,000 + (N - 16) * 30,000</math></td></tr><tr><td>33-64</td><td><math>13,60,000 + (N - 32) * 20,000</math></td></tr><tr><td>65-128</td><td><math>20,00,000 + (N - 64) * 15,000</math></td></tr><tr><td>129-256</td><td><math>29,60,000 + (N - 128) * 14,000</math></td></tr></tbody></table> <p>Notes:</p> <p>(1) N refers to the number of E1/R2 ports demanded by ISP and accepted by Basic Service Operator.</p> <p>(2) The above rates are ceilings and the service provider may have alternative lower port charges.</p> <p>(ii) Tariff for Leased Line, as per clause (3b) of Schedule IV of the Telecommunication Tariff Order, 1999, and/or Tariff for Local leads or end links as per clause 4(a) of this Order.</p>	No.of E1/R2 ports	Port charges in Rs.	1-16	$N * 55,000$	17-32	$8,80,000 + (N - 16) * 30,000$	33-64	$13,60,000 + (N - 32) * 20,000$	65-128	$20,00,000 + (N - 64) * 15,000$	129-256	$29,60,000 + (N - 128) * 14,000$
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2.2 Clause 4.a of Schedule IV of the Telecommunication Tariff Order, 1999, shall be deleted and shall be substituted by the following, namely:

<b>“4(a) Local leads or end links</b>	Tariff for local lead (or end links) to be charged as  (i) Charge for leasing these local leads shall be as per ceiling specified in annexure 1 and annexure 2 to Schedule IV of Telecommunication Tariff Order, 1999:  (ii) If such leasing is technically not feasible then  (1) On rent and guarantee basis, or alternatively  (2) On contribution basis.
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### **Section III**

This order contains at Annexure A Explanatory Memorandum, which explains the reasons for this amendment to the Telecommunication Tariff Order, 1999.

BY ORDER,

[Dr. Harsha Vardhana Singh]  
Secretary-cum-Principal Advisor

**EXPLANTORY MEMORANDUM**

1. The tariff for Leased Circuit has been specified in Schedule IV of the Telecommunication Tariff Order (TTO), 1999. TTO, 1999 does not explicitly spell out the tariff for E1/R2 connectivity for ISPs. It has been brought to the notice of the Authority that some BSOs are charging Rs.90, 000 per annum in addition to the applicable Leased Circuit tariff by way of equating E1/R2 link with 30 DELs within the exchange Area.
2. The link between BSO's exchange and ISP's node can be provided through DELs, ISDN PRI or E1/R2, the last being the most prevalent option.
3. The current practice followed by the service providers by equating E1/R2 link with 30 DELs for charging E1/R2 links to ISPs is not cost based, as there are no physical DELs involved in the link. The tariffs relevant in case of E1/R2 links are being specified using the same principles that were used while specifying Leased Circuit Charges, i.e. these are broadly based on the costs of the components used. The charges for E1/R2 (which has a capacity of 2 Mbps) should cover port charges, tariffs for relevant leased lines and/or the end link charges. End link/ local lead for this purpose is to be taken as the part of the link between ISP's node and nearest exchange of BSOs. Normally, the BSOs should provide the link from the nearest Tandem exchange, unless it is technically non-feasible.
4. Ceilings for Leased line tariff for 2 Mbps have been specified in Schedule IV of TTO, 1999. The Authority is of the view that the same tariff ceiling should be applicable to E1/R2 link to cover the tariff for leased line portion.
5. As regards port charges, these have been specified in the Telecommunication Interconnection (Port Charges) Regulation, 2001 dated 28<sup>th</sup> December 2001. These port charges are relevant in case of E1/R2 links also as the same direct costs are involved in this situation. The charges for end links are the same as those for leased circuit as applicable in terms of capacity and distance. The overall charge will be a combination of these different components as applicable.

6. In specifying the above-mentioned tariffs the Authority has also borne in mind that BSOs earn additional revenues through use of Internet by way of dial-up charges.

[Dr. Harsha Vardhana Singh]  
Secretary-cum-Principal Advisor