

महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

CIN: L32101DL1986GOI023501



MTNL/RA/TRAI CP on Review of IUC/2019 /1457
Dated 18.10.2019

To,

The Advisor (B&PA)
TRAI, New Delhi

Sub. : TRAI Consultation dated 18.09.2019 on "Review of Interconnection Usage Charges".

TRAI issued a consultation paper on 18.09.2019 on the aforesaid subject and asked the various stakeholders to comment on the issues involved in the consultation paper. In this reference the following comments are submitted for consideration:

- (i) TRAI for various reasons and justifications cited under the previous Regulation dated 19.09.2017 reduced the Termination IUC for local and NLD calls to Zero for Fixed Line Services and Rs. 0.06/Min. for Cellular services. As impact of the Regulation significant losses accrued to Fixed Line service operators mainly PSU operators who are the major Fixed Line service providers.
- (ii) The Regulation not just impacted the Fixed line service providers but also cellular providers due to significant reduction in Termination Charges for wireless services also. That Regulation being favourable only for the new entrant, was detrimental to the industry, which was bleeding under heavy debts. The Regulation may therefore be considered as cogent reason on part of Regulator, for the present financial status of debt ridden industry.
- (iii) MTNL being a PSU supports fair and transparent mechanisms for evaluation of IUC, and therefore recommend it to be based on actual costs, and such costs should include HR costs also. The TRAI Regulations while interpreting costs of services have always been ignorant of the costs submitted by PSUs. It is therefore submitted that TRAI should review the IUC charges and the same may be re-calculated giving due weightage for costs of services by PSUs.

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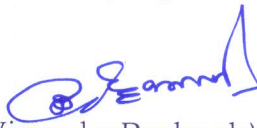
आप हमारे साथ हिन्दी में भी पत्राचार कर सकते हैं।

- (iv) Equal network resources are involved in termination of call as well, hence network operator receiving the call also needs to be compensated for the call reception, otherwise it give undue advantage for a operator to offer predatory pricing and create traffic imbalance at cost of operators who receive call and ensure call completion.

Further the cost per line of maintaining fixedline network is much higher that wireless network. Hence Fixedline services also need to be compensated for call termination based on input cost of Fixedline network, instead of no termination charge for call on fixedline network.

- (v) As mentioned under the Consultation Paper, the traffic imbalance for different technologies still subsists, and therefore Zero IUC for cellular services (as proposed vide previous Regulation dated 19.09.2017) may be postponed accordingly.
- (vi) In the present scenario, the OTT services which are similar to Voice and SMS services provided by licensed TSPs have already eaten up significant part of revenue of licensed TSPs providing voice & SMS services. The licensed TSPs on one side are obliged with financial burden to pay all applicable cess and charges w.r.t. their license, on the other side the Regulator is leaving no grounds to prejudice the financials of such TSPs. The inordinate delay in deciding the regulations for OTT services is one such instance. The losses of licensed TSPs due to such similar OTT services, have been further escalated due to reduction in IUC. It is therefore requested that the OTTSP's may also be regulated and brought under IUC regime.

In view of above submissions and the present financial conditions of TSPs, it is submitted that the IUC for all services may be reviewed and decided considering the actual costs of all TSPs including Govt. owned TSPs and therefore should never be made Zero unless there is level playing field among all TSPs in terms of technology and costs.


(VirenderParkash) 18/10/19
DGM(RA),CO