

## TELECOMMUNICATION INTERCONNECTION USAGE CHARGES REGULATION, 2003

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## TELECOMMUNICATION INTERCONNECTION USAGE CHARGES REGULATION, 2003

### TELECOMMUNICATION INTERCONNECTION USAGE CHARGES REGULATION, 2003

#### **1. Short title, extent and commencement :-**

(i) This Regulation shall be called "The Telecommunication Interconnection Usage Charges Regulation 2003" (the Regulation) and supercedes the earlier Regulation dt. 24.1.2003 (1 of 2003) and its amendments dt. 27.3.2003 (1st amendment) and 16.6.2003 (2nd amendment).

(ii) The Regulation shall cover arrangements among service providers for payment of Interconnection Usage Charges, for Telecommunication Services, covering Basic Service that includes WLL(M) services, Cellular Mobile Services, and Long Distance Services (STD/ISD) throughout the territory of India.

(iii) The Regulation shall be deemed to have come into force from the date of its notification in the Official Gazette.

#### **2. Definitions :-**

In this Regulation, unless the context otherwise requires :

(i) "Act" means the Telecom Regulatory Authority of India, 1997 as amended by TRAI (Amendment) Act, 2000.

(ii) "ADC" means Access Deficit Charge.

(iii) "Authority" means the Telecom Regulatory Authority of India.

(iv) "BSO, CMSP, ILDO and NLDO" respectively mean the Basic Service Operator, Cellular Mobile Service Provider, International Long Distance Operator and National Long Distance Operator.

(v) "Ceiling(s)" mean(s) the upper limit(s) of a charge specified by the Authority from time to time over which such charges may not be offered.

(vi) "Floor" means the lower limit of a charge specified by the Authority from time to time below which such charges may not be offered.

(vii) "Forbearance" means that the Authority has not, for the time being, notified any charge for a particular telecommunication service and the service provider is free to fix any charge for such service. The Authority, however, has a right to intervene at any stage after the introduction of the charge.

(viii) "Interconnection" means the commercial and technical arrangements under which service providers connect their equipment, networks and services to enable their customers to have access to the customers, services and networks of other service providers.

(ix) "Interconnection Charge" means the charge for interconnection levied by an interconnection provider on an interconnection seeker.

(x) "Interconnection Usage Charge (IUC)" means the charge payable by one service provider to one or more service providers for usage of the network elements for origination, transit or termination of the calls.

(xi) "Interconnection Provider" means the service provider to whose network an interconnection is sought for providing telecommunication services.

(xii) "Interconnection Seeker" means the service provider who seeks interconnection to the network of the interconnection provider.

(xiii) "International Subscriber Dialing" (ISD) means the facility by which a subscriber can have direct connection between him (in India) with another end user in another country by means of direct dialing through licensed

networks. This includes the coverage of the international sector by ILDO and the related national sector by NLDO and/or access provider.

(xiv) "LDCA/LDCC" respectively mean Long Distance Charging Area/Long Distance Charging Centre.

(xv) "Order" means the Telecommunication Tariff Order, 1999 as amended from time to time.

(xvi) "Originating Network" means the network to which an originator of a telecommunication message (voice and non-voice) is proximately connected to.

(xvii) "Originating/Transit/Terminating Service Provider" means the service provider whose network is used for originating/transit/terminating a telecommunication message (voice and non-voice) respectively.

(xviii) "Regulation" means The Telecommunication Interconnection Usage Charges (IUC) Regulation, 2003 (2 of 2003)

(xix) "Reporting Requirement" means the obligation of a service provider to report to the Authority at least 45 working days before implementing any new Interconnection Usage Charge for telecommunication services under 'this Regulation' and any changes thereafter.

(xx) "SDCA/SDCC" respectively mean Short Distance Charging Area/Short Distance Charging Centre.

(xxi) "Set Up Costs of Interconnection" means the initial cost of any system upgradation needed to provide the specific interconnection facilities requested.

(xxii) "Settlement Period" is the period at the end of which the inter-carrier billing IUC/ADC payments among service providers are to be settled, based on the record reconciliation process as may be finalized through mutual arrangements among the service providers.

(xxiii) "Significant Market Power (SMP)" means "A Service Provider holding a share of at least 30% of total activity in a licensed telecommunication service area. These Services are categorized as Basic Service, Cellular Mobile Service, National Long Distance Service and International Long Distance Service." Where "Activity" would mean and include any one or more of the following :

(a) Subscriber Base

(b) Turnover

(c) Switching Capacity

(d) Volume of Traffic

(xxiv) "Subscriber Trunk Dialing (STD) means the facility by which a subscriber can have direct connection between him and another end user in another SDCA within India by means of direct dialing through the public long distance networks.

(xxv) "Terminating Network" means the network to which a receiver of a telecommunication message (voice and non-voice) is proximately connected to.

(xxvi) "Transit Network" means the network through which telecommunication messages (voice or non-voice) from originating networks or other transit networks are transmitted and delivered to terminating or other transit networks.

(xxvii) "Usage Charge" means the charge levied by a service provider for carriage of telecommunication traffic on its network, i.e. for use of its network elements.

(xxviii) "WLL (M)" means limited mobility telephony service using wireless in local loop technology within a Short Distance Charging Area.

## **1**

[(xxix) Roaming means the ability for a cellular subscriber to automatically make and receive voice calls, data and to access other services while travelling outside the geographical coverage area of the home network, by using the visited network. It is national roaming when visited network and the home network of the subscriber are in the same country and it is international roaming when visited network and home network of the subscriber are in different countries.]

(xxx) Words and expressions used in this Regulation and not defined herein but defined in the Act shall have the same meanings assigned to them in the Act.

1. In Regulation 2 under Sec. II the following para and entries shall be inserted, after para and entries (xxviii) by the Telecom Regulatory Authority of India hereby further amends the Telecommunication Interconnection Usage Charges Regulation, 2003

### **3. Interconnection Charges :-**

Interconnection Charges shall continue to be governed by "The Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001 (5 of 2001)" and The Telecommunication Interconnection (Port Charges) Regulation, 2001 (6 of 2001), except to the extent modified by this Regulation.

#### **4. Interconnection Usage Charges (IUC) :-**

The Interconnection Usage Charges are specified in Schedules hereto. Schedule I - Termination Charges Schedule II - Carriage Charges Schedule III - Access Deficit Charge (ADC)

(i) Unless specifically provided in the Schedules to this Regulation, the Authority forbears with respect to other Interconnection Usage Charges.

(ii) The date of effect for actual implementation of IUC shall be 1st December 2003.

(iii) The existing Interconnection Usage Charges arrangement between the Interconnecting networks in respect of the items as specified in this Regulation shall hold good till the date on which this Regulation comes in force.

(iv) All existing interconnect agreements/arrangements as on date shall stand amended on the date of actual implementation of this Regulation so as to conform to the present framework of the IUC regime and these shall be submitted to TRAI for registration within 15 days of implementation of this Regulation, and for subsequent changes as per reporting requirement.

(v) IUC values specified in 'the Regulation' shall also be applicable for all Reference Interconnect Offers by Significant Market Powers (SMPs).

#### **5. Reporting Requirement :-**

(1) All service providers shall comply with the Reporting Requirement as defined in Sec. II in respect of interconnection Usage Charges specified for the first time under 'the Regulation', as also all subsequent changes, subject to the provisions of Sec. IV above.

(ii) No service provider shall alter any Interconnection Usage Charge or any part thereof, without complying with the Reporting Requirement.

(iii) In respect of matters covered by the provisions of 'the Regulation', they shall have an overriding effect over any Regulation, Direction, Determination and Order of the Authority, Reference Interconnect Offer and existing Interconnect agreement/arrangement between Service Providers. Section VI

<sup>2</sup>(iv) Each service provider shall report to the authority on query basis, the ADC retained by it, wherever applicable, and also ADC paid by it to BSNL. In addition, BSNL shall report, on quarterly basis, ADC payments received by it from each operator. This shall include both the components of ADC, namely ADC paid in the form of percentage of Adjusted Gross Revenue and ADC on per minute basis for international incoming <sup>3</sup> [\*\*\*] calls. This quarterly report shall reach the authority within 30 days of the end of the previous quarter.

In Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), in Section (5), Regulation 5, after paragraph (iii) and the entries relating thereto, the following paragraphs and entries relating thereto shall be inserted, namely:- "iv. Each service provider shall report to the authority on query basis, the ADC retained by it, wherever applicable, and also ADC paid by it to BSNL. In addition, BSNL shall report, on quarterly basis, ADC payments received by it from each operator. This shall include both the components of ADC, namely ADC paid in the form of percentage of Adjusted Gross Revenue and ADC on per minute basis for international incoming and outgoing calls. This quarterly report shall reach the authority within 30 days of the end of the previous quarter." by the Telecom Regulatory Authority of India Act, 1997.

In the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), in the regulation 5, in paragraph (iv), the words "and outgoing" shall be omitted, by the Telecommunication Interconnection Usage Charges (Eighth Amendment) Regulations, 2007.

#### **6. Review :-**

<sup>3</sup>

(i) The authority may, from time to time, review and modify interconnection Usage Charge and Access Deficit Charge.

(ii) The authority may also at any time, suo-motu, or on the basis of reported information in terms of clause (iv) of Regulation (5) above or on reference from any affected party, and for good and sufficient reasons, review and modify any interconnection Usage Charge and Access Deficit Charge..

In Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), in Section (6), Regulation 6, the paragraphs and entries relating thereto shall substitute the existing paragraphs in place of old is as follows :- "

(i) The Authority may, from time to time, review and modify interconnection Usage Charge. (ii) The Authority may also at any time, suo-motu, or on reference from any affected party, and for good and sufficient reasons, review and modify any Interconnection Usage Charge." by the Telecom Regulatory Authority of India Act, 1997.

#### **7. Explanatory Memorandum :-**

This Regulation contains at Annex. A, an explanatory memorandum to provide clarity and transparency to matters covered under 'the Regulation'.

#### **8. Interpretation :-**

In case of dispute regarding interpretation of any of the provisions of this Regulation, the decision of the Authority shall be final and binding.

#### **SCHEDULE 1**

Schedule

1. Termination Charges.

Termination charge for calls to Basic (Fixed, WLL (Fixed), and WLL with limited mobility) and Cellular networks would be uniform @ Rs. 0.30 per minute. The same termination charge would be applicable for all types of calls viz. Local, National Long Distance and International Long Distance.

• Origination Charges.

Forbearance : The Originating Service Provider shall retain origination charges from the residual after payment of the charges for carriage, termination and access deficit.

• Carriage Charges.

Carriage charges have been specified in Schedule II.

4. Access Deficit Charges.

Access Deficit Charge (ADC) has been specified in Schedule III

SCHEDULE 2

Carriage Charges

4 In Schedule II of the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003) the following entries shall substitute (a) Carriage charges for Long Distance Calls within India. Schedule-II Carriage Charges (a) Carriage charges for Long Distance calls within (Amount in Rupees per minute) \Carriage charges per minute \Distance slab for Long Distance calls within \Below 50 50-200 200-500 A \Kms \ Kms \ Kms \ Kms \ \ \ 0.20 \ 0.65 \ 0.90 \ 1.10 by the Telecom Regulatory Authority of India Act, 1997.<sup>5</sup> In Schedule II of the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003) the entries shall substitute the existing entries relating to paragraph (b) and to Schedule- II" of the Telecommunication Usage Charges Regulation, 2003 (4 of 2003), the old entries is as follows :- "(b) \The Carrier, II, would collect the applicable amounts for carriage and termination charge from the Originating Service Provider for various type of calls pass on the termination charge for terminating the traffic to the Terminating Service Provider as per Schedule I. In cases where the access amount is to be collected by the terminating network or by BSNL (as per the Table III in Schedule III) the access deficit charge amount shall be provided to the Carrier to the relevant service provider who has to be provided the access deficit amounts, as mentioned in Schedule III." by the Telecom Authority of India Act, 1997.

## Schedule-II

### (a) Carriage charges for Long Distance calls within India.

#### Table-1

#### (Amount in Rupees per minute)

Carriage charges per minute for Long Distance Calls within India	As per mutual agreement between the service providers with a maximum ceiling of Rupees 0.65 per minute irrespective of the distance.
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The service providers are allowed to negotiate spot value within +/- 10% of the long distance carriage charge beyond 50 Kms. Forbearance carriage charge for long distance calls will be introduced once carrier selection by customer

implemented.

(b) **Transit Charges for Intra-SDCA calls :**

Forbearance, subject to the following condition :

Direct interconnection between Access Providers is mandatory. For exceptional cases of Intra-SDCA transit, operators may decide the charges through mutual negotiation. However, this should be lower than Rs. 0.20 per minute.

(c) **Carriage charges for International Long Distance calls including International termination charge (i.e. International settlement):**

Forbearance, subject to the following condition :

The service providers may mutually agree on sharing of any surplus, subject to the approval of the Authority.

### *Notes to Schedule II*

(a) The Originating Service Provider shall bear the origination charges from the residual amount after payment of the charges for carriage, termination and access deficit.

(b) "The Carrier, as shown in Table II, will collect the applicable amounts for carriage and termination charge from the Originating

Service Provider for various type of calls. The carrier would pass on the termination charge for terminating the traffic to the Terminating Service Provider as per Schedule-I."

(c) The call from/to fixed line to/ from WLL(M) w

local call, if the call destination is within the SDCA where the call originated. Calls from/to fixed line to/from WLL(M) would be treated as long distance calls if the call terminates outside the SDCA from where the call originated.

## Table II

### Applicability of Carriage Charge

(F = Fixed or WLL (Fixed); W = WLL (M); C Cellular Mobile)

Type of Traffic	Carriage Charge	Carrier (Hand at)
Within SDCA		
F/ <sub>WoF/W</sub>	Nil for direct connectivity/Applicable tandem usage as in Schedule 1Kb)	BSO1/BSO2 (Ta
FAV-C	Nil ( <sub>Tandem: Metro</sub> )/TAX usage carriage charge (Level II TAX)	BSO (Tandem : Metro)BSO (Lev TAX)
F/W/C <- >ILD	As above since ILDO handover is at LDCC TAX	BSO (TAX)
Intra Circle i.e.	Inter (SDCA)	

F <-F	Carriage as per details in Schedule II	BSO1/BSO2	Dep on
F <->W	Carriage as per details in Schedule II	BSO1/BSO2	Nea or F Han
F/W <->C	Same as Intra SDCA except TAX charge is "applicable" charge since more than one TAX may be involved.	BSO (Level II/I	
C <->ILD	No carriage/tandem in case traffic is picked up or delivered at MSC	MSC (Direct connectivity cas	
F/W <->ILD	Carriage as per Schedule II	BSO (TAX)	
Inter Circle			
F/W <->F/W	Carriage as per Schedule II	NLDO (TAX)	
F <->C	Carriage as per Schedule II	NLDO (TAX)	
W f<-	Carriage as per	NLDO	

>& F/W/C <-> ILD .	Schedule II Carriage as per Scheduel II	(TAX) NLDO (TAX)	
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SCHEDULE 3  
Schedule

7 In Schedule III in table (Shd3) in after Para 3.3. and entries relating thereto by the Telecom Regulatory Authority of India hereby further amends the Telecommunication Interconnection Usage Charges Regulation, 2003<sup>8</sup> In Schedule III of the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), the given entries shall substitute the existing entries relating to paragraphs 3.1 in place of :- \ \ \ \ \ Schedule III 3.1. Access Deficit Charge (ADC).-Access Deficit Charge shall be applicable for the specified category of calls mentioned in Table III. The ADC will be payable to Basic Service operators on a per minute basis by the Basic Cellular, National Long Distance and International Long Distance service providers. The ADC applicable for different types of calls are mentioned in Table III. The rates are shown on a per minute bulk settlement basis. \ \ \ \ TABLE III \ \ \ Access Deficit Charge applicable for various type of Calls. Access Deficit Charges \Local \Intna Circle calls \ Inter Circle calls \ \ \ \ ILD \ \ In Rs per minute \ \Local \0-50 k ms >50 kms 0-50 kms 50-200 kms \ \>200 kms ILD Fixed - Fixed \ \0.00 \0.00 \0.30 \ 0.30 0.50 \ \0.80 \ 4.25 Fixed - WLL(M) \ \0.30 \0.30 \0.30 \0.30 \0.50 \ \0.80 \ Fixed - Cellular \ \0.30 \0.30 \0.30 \ 0.30 \0.50 \ \0.80 WLL(M) - Fixed \ \0.30 \0.30 \0.30 \ 0.30 \0.50 \ \0.80 4.25 WLL(M) - WLL(M) \0.00 \0.00 \0.00 \ 0.30 \0.50 \ \0.80 \ \ WLL(M) - Cellular \0.00 \0.00 \0.00 \ 0.30 \0.50 \ \0.80 Cellular - Fixed \ \0.30 \0.30 \0.30 \ 0.30 \0.50 \ \0.80 Cellular - WLL(M) \0.00 \0.00 \0.00 \ 0.30 \0.50 \ \0.80 \ 4.25 Cellular - Cellular \ \0.00 \0.00 \0.00 \ 0.30 \0.50 \ \0.80 by the Telecom Regulatory Authority of India Act, 1997.<sup>9</sup> In the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), In Schedule III to the said regulations, in paragraph 3.1, the words "outgoing and" shall be omitted, by the "Telecommunication Interconnection Usage Charges (Eighth Amendment) Regulations, 2007".<sup>10</sup> In the Telecommunication Interconnection Usage Charges Regulation, 2003 (4 of 2003), In Schedule III to the said regulations, in paragraph 3.1, for the Table III, the following Table shall be substituted in place of : S. No. \Type of Call \ \ADC per minute (in rupees) \ \ADC to be paid to/retained by 1. \All Outgoing ILD calls originated from Fixed wireline subscribers. \ \Rs. 0.80 \ \To be retained by originating Fixed Wireline Service Provider. 2. \All Outgoing ILD calls originated from Cellular Mobile/Wireless including WLL(F) subscribers. \ \Rs. 0.80 \ \To be paid to BSNL by originating access provider through ILDO 3. \All Incoming ILD calls \ \Rs. 1.60 \ \To be paid to BSNL by ILDO or NLDO by the "Telecommunication Interconnection Usage Charges (Eighth Amendment) Regulations, 2007".

Schedule III

**"3.1. The Access Deficit Charges for**

International [\*\*\*] Incoming Calls shall be as per Table III.

Type of Call (1)	Access Deficit Charge per minute (2)	Access Deficit Charge to be paid to BSNL (3)
All Incoming ILD calls	Rs. 1.00 (Rupee One only)	By <small>ILDOs or NLDOs referred</small> to in clause (iv) of regulation 2";



**3.2. Collection and distribution of ADC,**The amount given above is to be collected/paid as follows :

For all intra-circle calls from cellular mobile/WLL(M) to fixed line, the terminating service provider to be paid the access deficit amount.

For all intra-circle calls from fixed to cellular mobile/WLL(M), the originating service provider to retain the access deficit amount

For intra-circle calls from fixed line to fixed line, the originating service provider to retain the access deficit amount (local calls and calls within "0 to 50 kms" do not have any access deficit charge). No access deficit charge is payable to the terminating fixed network.

For all inter-circle (including ILD) calls from fixed line, the originating service provider to keep the access deficit amount. No access deficit charge is payable to the terminating fixed network.

For all ILD calls to fixed line, the

terminating service provider to be paid the access deficit amount by the ILDO (directly or through NLDO, wherever applicable) together with the termination charge.

For all inter circle calls from cellular mobile/WLL(M) to fixed line, the access deficit charge and termination amount is to be collected by the NLDO from the originating service provider and the access deficit charges together with the termination charge should be paid to the terminating service provider.

For all inter-circle calls from cellular mobile and WLL (M) to cellular mobile/WLL(M), the access deficit amount is to be collected by the NLDO from the originating service provider and the access deficit charges should be paid to BSNL.

For all ILD outgoing and incoming calls from/to cellular mobile and WLL (M), the access deficit amount is to be collected by the ILDO and the access deficit charges be paid to BSNL.

### **3.3. Reconciliation and Settlement of**

ADC.ADC, carriage and termination payments would be based on aggregated usage in seconds (on bulk basis). The settlement would be for the aggregate total seconds expressed in terms of minutes, with the figure being rounded off in terms of the nearest minute, over the settlement period as applicable in the Interconnect Agreement. Failing agreement amongst Service Providers on the settlement period, the settlement shall be done on monthly basis on bulk basis.

3.4 All calls from the National Roaming subscribers shall be treated as Long Distance calls and all calls from International Roaming subscribers shall be treated as incoming international call for ADC purposes. As such for all calls from National Roaming subscribers while in a different service area, ADC charge as applicable for National Long Distance calls shall be applicable at the rate of Re 0.30 per minute. For International Roaming subscriber while making any call while in

India, an ADC of Rs. 3.25 per minute shall be applicable.

3.5 For all calls from Roaming subscriber, the access deficit amount is to be collected by the visited network operator and paid to BSNL.