

TRAI floats consultation paper on termination charges

TT Correspondent

Regulator, Trai has brought out a pre-consultation paper on termination charges after it was asked by telecom tribunal TDSAT to work afresh on these charges in consultation with the service providers.

Termination charges is the money paid by one operator to another on whose network a call ends.

Last year Trai had slashed termination charges from fixed-to-fixed, fixed-to-mobile, mobile-to-fixed and mobile-to-mobile to 20 paise a minute from 30 paise per minute. However, some operators challenged Trai's move in TDSAT saying that the telecom regulator had not factored in all costs associated with the termination of a mobile call. They had also alleged that Trai had slashed the charge without a consultation process.

Thereafter in September 2010 TDSAT had asked Trai to rework these charges again and provide adequate time to private telecom operators to respond during the consultation process. The old and new operators are divided on the issue of termination charges. The new telecom operators have been asking it to withdraw the concept of the termination charge, something which has been opposed by the established players.

GSM players association COAI which is against reduction in the termination charges claims that that below cost termination charge will make it uneconomical to serve low usage subscribers.

It had said that with majority of the subscribers falling in the low billable value band, termination revenues are at the core to the economics of serving these low usage subscribers. Any upward or downward movement in the termination charges ordered by Trai will have a direct bearing on telecom tariffs.