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Press Release

Government of India's prestigious Digital India Programme, Smart Cities and Broadband Highways set to get a major boost with implementation of TRAI regulation reducing cable landing charges a major component of international connectivity

In a landmark judgement the Hon'ble Madras High Court has upheld TRAI's power to regulate the cable landing station access facilitation charges. This cleared the decks for implementation of TRAI regulation effective January 2013 which prescribed over 90% reduction in the cable landing access facilitation charges which is a major portion for international connectivity.

Association of Competitive Telecom Operators (ACTO) welcomes the landmark judgement dated 11.11.2016 by the Hon'ble Madras High Court which upholds the powers of TRAI in framing the tariff regulation relating to cable landing station related access facilitation charges. We would like to sincerely thank the Hon'ble High Court of Madras and TRAI.

The significance of International Connectivity in furthering trade, commerce, and communications cannot be denied. In order to have a seamless communication it is pertinent that the entire globe is ubiquitously connected through telecom / fat cables which can carry terabytes of data traffic from one part of the world to other. The cable landing access facilitation charges comprises of a major portion of the end to end international connectivity.

In order to bridge the digital divide and to further boost Indian economy, it was imperative that the international bandwidth prices are affordable and competitive. International connectivity and its charges are quite significant and important for the overall growth of BPO/ITES sector. The availability of affordable and reliable international telecommunication connectivity is a significant factor for the consumers. Enterprise especially the BPO/KPO segment which is set to flourish in any country and that international bandwidth prices may influence the growth of BPO industry in India substantially.

There are 3 main types of charges in the international connectivity segment:

- International Bandwidth charges
- Cable landing station related access facilitation charges
- Domestic (in country) access charges

International connectivity charges were quite high in 2002 when the ILD sector was opened up for private sector participation. Among the three elements of the International connectivity (as above), the international bandwidth and domestic access charges have significantly reduced over the years. However, the cable landing station related access facilitation charges (CLS-AFA) have remained unchanged and still constitute a major portion of the total cost of international connectivity. The implementation of TRAI regulation significantly reducing the CLS-AFA charges will result in all round benefit for the overall telecom sector. With the above judgement and the subsequent implementation of TRAI regulation, the industry will witness a growth in broadband connectivity to bridge the digital divide, provide further filip to the IT/BPO and Enterprise Data Services sector which will help achieve the vision as laid out in the prestigious Government of India programmes.

Association of Competitive Telecom Operators (ACTO) is an industry association, registered under Societies Registration Act 1860. The current membership of ACTO comprises of Indian companies - AT&T, BT, Vodafone, Orange Business Services, Verizon, Railtel, Power Grid and Telstra who hold International Long Distance (ILD), National Long Distance (NLD) and Internet Service Provider (ISP) License in India granted by Department of Telecommunications. The members provide world class enterprise data services, networking and application services to Indian BPO outsourcing and software companies, IT & ITES companies, multi-sited corporations, including global MNCs, Fortune 500 companies and enterprise businesses which operate domestic and global networks.