Telecommunication Interconnection (Third Amendment) Regulations, 2026

Prelims: *Current events of National and International importance| Governance*

Why in News?

The Telecom Regulatory Authority of India (TRAI) released the Telecommunication Interconnection (Third Amendment) Regulations, 2026 on November 3, 2026, which take effect on January 1, 2027.

About the Regulations

- **Released by** – The Telecom Regulatory Authority of India (TRAI) on 3 November 2026.
- **Effective date –** 1 January 2027.
- **Legal basis**: Section 11(1) (b) of the TRAI Act, 1997, empowers TRAI to prescribe interconnection terms and conditions between telecom service providers.
- **Meaning of Telecom Interconnection –** Refers to technical, operational and commercial arrangements connecting two or more telecom networks.
- Enables seamless exchange of telecom traffic and communication between subscribers of different service providers.

Major Provisions of the Amendment

- **Interconnection at LSA Level** – Facilitates transition from LDCA (Long Distance Charging Area) and SDCA (Short Distance Charging Area) to Licensed Service Area (LSA)-level interconnection.
- Service providers can mutually decide traffic handover locations.
- Benefits: Simplified routing, lower latency and improved service reliability.
- **Migration of Existing Traffic** – Existing traffic at LDCA/SDCA-level Points of Interconnection (POIs) must migrate to LSA-level POIs within 3 years, in a phased manner.
- **IP-Based Interconnection** – All new interconnections must be IP-based.
- Existing E1/TDM-based POIs must migrate to IP-based interconnection within 3 years.
- Improves bandwidth efficiency, call quality and network performance.
- **Capacity Augmentation** - IP-based POI capacity will depend on concurrent session-handling capability and link bandwidth while maintaining prescribed Quality of Service (QoS).
- **Surrender of POIs** – Introduces a separate procedure for voluntary surrender of POIs due to reduced traffic, withdrawal of services or traffic rerouting.
- Distinguishes voluntary surrender from disconnection arising out of disputes or

exceptional circumstances.

- **Bank Guarantee Reforms** – Extends bank guarantee validity and reassessment intervals from 6 months to 12 months.
- Revises the methodology for determining bank guarantee ceilings.
- **Delayed Payment** – Interest on delayed interconnection charges will be mutually agreed upon, subject to a ceiling of SBI one-year MCLR + 2%.
- **Reporting Requirements** – Introduces reporting mechanisms to monitor migration from LDCA/SDCA to LSA and E1/TDM to IP-based interconnection.
- **Financial Disincentives** – Introduces a graded financial disincentive framework for violations, ensuring proportionate and effective enforcement.



Reference

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