



Sify to offer ISD calls at Rs 7 per min

TIMES NEWS

Satyam Infoway (Sify) on Tuesday became the first Indian Internet Service Provider to bag the amended licence to start Net telephony services at under Rs 7 per minute to the US and Europe.

The Nasdaq-listed company, which is already the largest ISP in the country with over 6 lakh subscribers, is expected to offer PC-to-phone calls to United States, the UK and most other European countries for under Rs 7 per minute. Initially, the company plans to come out with a test price of Rs 5.25 per minute for calls to these countries.

The PC-to-PC calls would be free of charge. International subscriber dialing (ISD) calls to the US and Europe presently cost

between Rs 34-48 per minute.

Calls to several other countries, however, will be priced higher by Sify. This is because of peering arrangements with US and Europe which are also among the most favourite overseas calling destinations. Peering makes it easier for data (or voice turned into data as is the case in Net telephony) to travel faster over the Internet. Hence, calls to places such as south America, Africa, Russia, Far East and Australia might be priced higher.

Sify would soon launch pre- and post-paid cards for its subscribers and might also announce a tie-up with an international service provider, sources said.

Its tariff plan has already been approved by the Telecom Regulatory Authority of India. The com-

pany had applied for the licence on March 22.

It already has a letter of intent from the Department of Telecom for venturing into international long distance (ILD) services. But it has not yet deposited the licence fee and offered the mandatory bank guarantee.

Sify's tariff plan will set the bar for several other ISPs gearing up to launch their own services. Most ISPs that have been struggling for survival see Net telephony as a saviour. The business is intrinsic to the Net access business and could fetch them good revenues, particularly to companies like Sify which already have a large base.

However, the success in Net telephony would depend on pricing as well as the quality of service which would even-

tually decide the leaders in this field.

Phone calls based on Voice over Internet protocol (VOIP) are expected to be not only drastically cheaper, but also of inferior quality than the traditional public switched telecom network (PSTN) calls.

This, along with over 60 per cent drop expected in ISD calls, could ring the death knell for small personal call offices (PCOs) who are already finding their margins shrinking with a 60 per cent cut in national long distance tariffs. Some of them are expected to switch over to providing integrated value-added services such as video conferencing over the Internet.