



17th January, 2013

Telecom Regulatory Authority of India,
Mahanagar Door Sanchar Bhawan,
Jawahar Lal Nehru Marg, Old Minto Road,
New Delhi – 110 002

Kind Attention: Mr. Raj Pal
Advisor (F & EA)

Subject: Pre-Consultation Paper on Review of Tariff for National Roaming.

Dear Sir,

The Authority is aware that about 10-11% of the operators' revenue comes from National Roaming calls and doing away with the roaming tariffs could have a serious impact on the already dwindling revenue streams of operators and may also result in higher tariffs in other areas to offset the loss of operators. We feel that while the intention of simplifying tariffs is welcome in the short run, but it may be counterproductive to the objective with which it is being contemplated.

The present tariffs in mobile services is segmented on an intra-LSA and inter-LSA basis and it needs to be understood that the tariff fixing of calls is based on a work done principle, associated costs and market dynamics.

If the tariff for National Roaming is done away with then there will be very high negative impact on those operators who have not been given their deserved spectrum in the whole circle. In our case, we have not been allotted so far the start-up GSM spectrum in Delhi and 39 districts spread over 9 circles. We have already brought up this matter to the Authority and the Licensor. In these 9 circles, we are dependent on other operators to provide our mobile services to our subscribers.

If the incoming National Roaming charges are made 'zero' then either we will be forced to stop giving roaming services to our GSM subscribers or would take a high financial hit by way of paying it to the competitor. We would not be surprised if the incumbent operators will not provide the National Roaming services to smaller operators. Even if they do so, then this will inherently favour the incumbent operators who have excess spectrum with them. They would definitely keep a higher rate in the National Roaming commercial arrangements.

To avoid such situation, we recommend that the Authority should make the roaming interconnects mandatory among all operators. Also, in order to ensure that the low levels of tariffs are maintained, such National Roaming interconnects charges should be

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determined by the TRAI. We had made similar request to the Authority on 18th May 2011 in our response to the Consultation Paper on review of IUC.

Further, if the National Roaming is made free then there is strong possibility of the inter-circle arbitrage. For e.g. if on-net calls in a circle 'A' is say 10p/min, then the circle 'A' subscriber may send the SIM to circle 'B' to his business partner / relative so that they can talk endlessly at 10p/min as on-net inter-circle call. While the cheapest STD tariff otherwise might be 30-40p/min. In another words, if a customer will get home tariff while roaming, this would lead to flight of SIMs from the circles having the lowest rates to the other circles. Such a situation will lead to high revenue loss to operators and thus to the exchequer.

Another important point is that such flight of SIMs from one circle to another would definitely lead to security related concerns / issues.

Based on above, Tata Teleservices's point-wise response to the Pre-Consultation Paper is as follows:

1. Should the present cost based approach for determining tariffs for national roaming continue?

TTL: - Yes, the present cost based approach for determining tariffs for National roaming should continue.

2. In case your response to issue (i) is in the affirmative, what cost components should be included in the determination of such charges? You may also comment on the information sought by TRAI from the service providers in the proforma placed at Annexure.

TTL: - We suggest that the cost based methodology as was adopted by TRAI in 2007 should continue to be adopted. We have already provided the National Roaming related data in the requisite format to TRAI on 13th December 2012 in response to their letter no. 301-10/2012-ER dated 26.10.2012.

3. In case your response to issue (i) is in the negative, what should be the alternative approach for determining tariff for national roaming? Please support your view with a detailed methodology.

TTL: - Not Applicable.

4. Should the burden of the cost for the incoming call be removed from the roaming subscriber? If yes, how should this cost be recovered? Would removal of the burden of the cost for the incoming call while roaming lead to an increase in overall call traffic across the country?



TTL: - No, TTL believes that the current cost of incoming call on roaming subscriber should continue. As mentioned earlier doing otherwise will lead to flight of SIMs from one circle to another, causing revenue loss to the operators and the exchequer and could be a security threat.

Further, the roaming traffic is already very high due to low customer roaming tariffs. Due to this reason, it is quite a challenge for the operators to ensure the QoS for this incremental traffic. Removal of the burden of the cost for the incoming call while roaming will lead to sporadic increase in overall call traffic across the country that would lead to the down grade of the QoS.

In addition to the above, the operator will also have to bear additional burden of carriage cost and call termination cost in carrying the call to its roaming subscriber.

- 5. If the difference between the tariff while roaming and the tariff in the home network is done away with, how would such an arrangement operate within the framework of the present licensing regime? What are the likely issues that may arise upon its implementation?**

TTL: As mentioned earlier, this would lead to flight of SIMs from circles having lowest rate to the other circles that would lead to loss to the exchequer and security related issues.

- 6. Is there a need to prescribe a tariff for video calls while roaming? If your answer is in the affirmative, what methodology should be adopted for calculation of such tariff? In case cost based tariffs are to be prescribed, the service providers may kindly provide the cost data and costing methodology to be used.**

TTL: - The amount of network resources involved in terminating a video call (circuit switched) is significantly more vis-a-vis terminating a basic voice call. We are of the view that the video calls are at a nascent stage hence their tariff should be kept under forbearance.

- 7. In your opinion, should TRAI also prescribe a tariff for SMS while roaming? If your response is in the affirmative, what method of calculation for such tariff should be adopted? In case cost based tariffs are to be prescribed, the service providers may kindly provide the cost data and costing methodology to be adopted.**

And

- 9. Is there any other relevant issue related to 'tariff for national roaming' which the Authority should keep in mind while carrying out the proposed comprehensive review of the framework for tariff of national roaming services?**



TTL:- We reiterate that the roaming interconnects should be made mandatory and to ensure that the low levels of tariffs are maintained, the roaming interconnect charges including those for SMS should be determined by the Authority.

8. Would it be appropriate to allow special tariff vouchers for roaming subscribers?

TTL:- Yes, it is appropriate to allow special tariff vouchers for roaming subscribers. This will lead to more benefits being passed on to the roaming subscriber resulting in higher penetration of National Roaming and increased National Roaming traffic

We hope that our views will be given due cognizance. We would be grateful to address any further query in this regard.

Thanking you and assuring you of our best attention always

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'AD' with a flourish.

Anand Dalal
Senior Vice President – Corporate Regulatory Affairs
Tata Teleservices Limited
And
Authorized Signatory
For Tata Teleservices (Maharashtra) Limited