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The Chairman,

Telecom Regulatory Authority of India

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**Comments on CP on REVIEW of FORBEARANCE**

Sir,

As stated , media reports [ Dec 2011 & Jan 2012] of **LIKELY HIKE IN TARIFF** by leading operators to the tune of 30% prompted TRAI to review forbearance . **However it IGNORED the news** of **ACTUAL REDUCTION** in tariff by some other operators[ **one paisa for 2 seconds**] . Hence the **basis of this paper is ILLFOUNDED.** Why does TRAI react so promptly on planted may be paid news reports but sleeps on consumer issues for two years. Forebearance is always taken as a tool to reduce the tariffs not to enhance enmasse creating cartel implementing enhancement one by one as was happened in June/July, 2011. What action was taken by TRAI on that rise. Why the enhancement to the tune of 20% was not vetted by TRAI. The basis of this document are very weak because it is not that forbearance is bad but the actual problem lies at the regulator level where nobody cares to vet the schemes and monitoring is poor or negligible. We do not want that to cover up wrong doings of the past or non-monitoring of the schemes in the past is replaced by a document like this which has no significance in the next two years as the industry is still growing and internet penetration is yet to take place. Not only this the operators are earning a lot and the figures as are published in a journal says that the telecom operators leaving Government operators have earned around 47000 crores with highest earnings by Airtel as on 31.03.2011. If this documents is created to reduce the tariffs we have no objection for the same. However, as recently the regulator has avoided its own registered organisation for open house sessions where the issues were consumer centric this document creates a doubt of something fishy in this document. It is not out of place to mention here that operators invested in 3G auction without taking due diligence hence the present circumstances and consumers in the telecom industry have nothing to do with that. Why they should pay for the wrong investments of the operators. We have definite information that the operators are not able to pay interest on such investements hence the decline in their ARPUs. They are covering up by increasing charges on calls because government is going to spend around more than 30000 crores for internet penetration throughout the country by 2014 through BSNL and MTNL the main services providers in rural as well as Urban areas throughout the country. The private operators are panicky of NTP 2011 as there will be no roaming from June,2012 onwards as was published in lot many media reports. We the consumers are not here to run the wrong investments and wrong doings of private operators. We should see what was their working capital when they start the business and India and what is their

working capital today and how they grow up in the last 10 years. Where was the regulator and why the government not reviewed NTP 99 when targets were achieved and operators were earning a lot through call dropping and forced vas charges. Why TRAI is silent since last 8 months since operators are forfeiting the money of those mobile connections which are not working for more than 15 days. What type of monitoring by TRAI is this.

***Neither Cap nor Floor price need be fixed.***

***Market Forces & NOT LEADING OPERATORS should dictate the tariff.***

***Hence FORBEARANCE is needed.***

2 Ceiling or Floor price in tariff is not conducive for

- Consumer good
- Industry's growth &
- Country's Economy

**Forbearance is a MUST to provide FREE OPERATION & level playing field to new operators**

3 We do not want

“ Money power i.e. wrong investment is used to manipulate grabbing of NATURAL RESOURCE like Spectrum”

For the last two years, Service Providers have been using their every type of ***power to manipulate REGULATOR for ABUSE of FORBEARANCE ,violate regulations and fraudulent practices at will to “GRAB- NATIONAL RESOURCE -“ through Earnings of 93 crore PEOPLE ”***

**Regulated FORBEARANCE was reduced to DEREGULATION due to failure to MONITOR and putting in place Appropriate regulatory measures**

4 ***Tariff is forborne and not PULSE.*** Tariff is always quoted on ***standard pulse***. While fixing tariff for various services , service providers ***manipulated the pulse too*** in a manner to get maximum advantage- one paisa per second for local calls and Re ***1/- per pulse of 30 seconds*** for STD. Former to dupe the subscriber and later to loot the impact being:

- A] Subscriber pays more than ***THREE times the local call*** under the ***guise of changed pulse.***
- B] ***Comparing with TATA's & BSNL , he pays more than SIX times the above.***
- C] If 40% calls are STD, he pays ***TWICE the amount*** .

D] This type of extortion may go upto thousands of crores of rupees if investigated.

E] Compound it with **TTO 48 [subscriber made to pay Re 1 per minute instead of 60 paise under the pretext of being OLD SUBSCRIBER]** violation, using MISLEADING ADVERTISEMENTS. If new type of forbearance is started TTO 48 the very basis which favours consumers will become redundant.

### ***Where is the LOSS?***

5 This review is a sinister design--smoke screen to mask the WRONG DOINGS & thwart refund of money charged from subscribers under the garb of VAS and non implementation of TTO 48.

6 ***Cartelisation and failed regulations have closed the options of PORTING for subscribers.***

7 ***Hence the review for ceiling on tariff is the master manipulation to:***

- **BURRY TTO 48**
- Consolidate gains of fraudulent practices
- Close door for REFUND of illegal recoveries
- TRAP subscriber from all sides—***DENY Benefit of LOW TARIFF and exit / porting option.***
- Deny new entrants- offer of innovative schemes / lower tariff
- ROLE BACK to OLD HIGHER TARIFF
- ***MULTIPLYING the new fundas to put hand in consumers` pocket***

### **Loss / Gain Arithmetic**

8 Tariff came down because of LOW RATES offered by new entrants , leading operators forced to bring down. ***This benefit was denied to MAJORITY OLD SUBSCRIBERS by abuse of PULSE & VIOLATION of TTO 48.***

***Despite LOW TARIFF, subscriber base of new operators remained low because of***

**A]** TRAI failed to MONITOR and Appropriate regulatory measures put in place to protect consumer despite repeated appeals [ Ref para 1.13 of consultation paper] . Regulated FORBEARANCE was reduced to DEREGULATION to favour service providers.[Para 1.12 of CP]

- B] Failed MNP due cartelisation and manipulated / failed regulator
- C] Violation of TTO 48 with Misleading advertisements

Earlier hike & new proposals are nothing but CRYING WOLF of LOSS { FOOLING PEOPLE} PLOY to destroy competition being offered by new telcos and fleece subscribers. Even recently there were banners offering tariff – ONE PAISA for 2 seconds.

***SMALL new operator are at EASE with low tariff, WHY this move to help leading operators . Is it manipulation or under DURESS?***

Simple arithmetic shows that 20% hike does not make paisa per second pulse to Re 1 per minute.

***How the ceiling being calculated? If consumers are getting 2 Second per paisa, where is the need for capping or floor price ?***

### **Broadband**

9 There is no road map or vision on the service. In absence of any research or study , the chapter as well as the QUESTIONS are vague. No suggestions made on tariff.

Broadband penetration is must for country's growth but the service is price sensitive.

We need RADICAL STEPS i.e ONLY ONE TYPE OF SERVICE-UNLIMITED DOWNLOAD at affordable tariff to motivate customers and SAVE them from strangulating tariff.

Besides PROHIBITIVE tariff , need to DELIBERATE for other reasons.

### **Conclusion**

10 **Consumers, industry and the country want:**

- A] Regulated FORBEARANCE as there is no justification for Cap/Floor price.
- B] ***ONE second is used by all telcos for TARIFF RATES. Hence ONE SECOND AS STANDARD PULSE be notified to REPLACE 30 Seconds.***
- C] All tariff [ local, STD, Roaming & ISD ] be based on STANDARD PULSE of one second.

D] Forbearance {Without ABUSE} [ Monitor & Regulate Package- Para 1.12 & 1.13].

**E] Strict ENFORCEMENT of TTO 48**

F] Easy MNP

G] Enforcement of Standards & Existing Regulations

**H] Provision for REFUND of FRAUD Recoveries**

I] Consumer Protection &

J] End to **manipulation** of REGULATOR by TELCOS

K] Nationwide DELIBERATIONS on BROADBAND

11 Comments on Issues raised are at appendix

Thanking you,

Yours Sincererely,

FOR CHANDIGARH TELECOM DISTRICT TELEPHONE SUBSCRIBERS ASSOCIATION(CTSA)

R.K.VERMA

PRESIDENT

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### ***Appendix***

#### **Comments on ISSUES RAISED**

1 Do you perceive any need for a change in present regulatory framework for telecom tariff fixation?

**Answer:**

***Change in regulatory frame work on FORBEARANCE except enforcement of regulations in letter & spirit—without MANIPULATION by service providers.***

***Read para 1.12 & 1.13 of Consultation paper & detail at para 1 & 7 of the above letter.***

2 Should TRAI withdraw from the policy of forbearance?

**Answer :**

**NO. Read para 1 above letter**

3 If yes, what should be the basis of tariff regulation? Should it be by way of specifying a standard tariff package or by way of fixing tariff as a ceiling for individual charging components such as calls, SMS, etc? Please also suggest the methodology.

**Answer:**

**NO. But it must enforce uniform STANDARDS eg PULSE, administrative charges**

4 Would tariff regulation affect the ability of the telecom service providers to introduce innovative tariff plans?

**Answer:**

**YES. With tariff being subject of forbearance must not lead to VIOLATION of other regulations like TTO 48, OPAQUE plans or traps.**

**Monitored FORBEARANCE can ensure that consumer gets TRANSPARENT SERVICE.**

5 What would be the best method of managing the telecom tariffs so as to protect consumer interest even while affording the telecom service providers the necessary flexibility?

**Answer:**

**Monitor & Enforce REGULATIONS without being manipulated.**

**Regulated FORBEARANCE[ Para 1.12] must not be reduced to DEREGULATION.**

6 Is tariff for data services offered by the service providers competitive and reasonable?

**Ans :NO. These are EXACTING and PROHIBITIVE.**

7 What are the factors that impact competition in data service in the market?

**Ans :Limited operators/ choice due last mile restrictions in most of the places..**

8 What can be the possible measures by the regulator for facilitating enhanced competition for availability of data services at affordable tariff?

**Ans : ONLY ONE PLAN –UNLIMITED DOWNLOAD at affordable price.**

9. Should TRAI regulate tariff for data services by way of fixing

ceiling tariff to protect the interest of the consumers? If yes, what should be the basis and justification for tariff fixation?

***Ans: Please educate about the STUDY and ANALYSIS carried out to enable CONSUMERS to Comment. Government is creating knowledge portal through internet penetration, so when we are fertilizing the minds of our country lowest and affordable tariffs by all strata of countrymen should be kept in mind.***