



28th February, 2020

To:
Sh. Amit Sharma,
Advisor (Finance & Economic Analysis),
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi 110 002

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Subject: Responses to TRAI's Consultation Paper on Tariffs Issues of Telecom Services

Dear Sir,

Telecom is an essential service and hence necessary steps must be taken by the TRAI to remove any stress on telecom sector, so that consumers may continue to benefit from networks and services. Setting up a floor price will help the companies to recover and improve the investment climate for the growth as the sector needs massive investments as mentioned in NDCP 2018.

The price structure should be fair to all consumers, those consumers who are using more networks should pay more accordingly compared to those subscribers who have low usage. TRAI should look at combination of fixed fee and usage charge for floor price.

It has been noticed that financial distress in the telecom sector is due to fall in revenues which has resulted in reported major losses to the operators and negative returns on investments.

India has witnessed lowest tariffs in the world with highest volumes while tariffs were going down, the data and voice traffic has increased multifold instead.

It has been noticed that in the last 3 years, many operators have exited or underwent merger thus limiting the scope of healthy competition, any further exit is not good for the sector or consumers, the situation will lead to monopoly/duopoly situation.

In the present form the market forces are not allowing telecom operators to recover costs from tariffs, customers may get some benefits in the short term but ultimately quality of service and connectivity can only be ensured if sector is sustainable. Thus, floor price is the required need for consumers, sector and the country, as revenue increase seems to be the only solution.

In conclusion, we strongly feel that setting a floor price is a good option to improve the health of the telecom sector so that they may provide quality of service to the consumers and invest in network expansion.

Thanking you,

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Anil Prakash', written over a horizontal line.

Anil Prakash
President
Digital Users Group

(A Public Policy Think Tank for Digital Users in India)

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