

Videocon Response to TRAI Pre - Consultation paper on Review of Tariff for National Roaming dated 20th December, 2012

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

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Question 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.

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Question 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.

We would like to submit that TRAI should leave the roaming tariffs to market forces. Roaming tariffs are already at lower side when we compare with TRAI's ceiling on roaming charges. If TRAI forces any change to the present cost based approach this may affect tariff & even local calling charges within the circle.

We would like to suggest that TRAI reviews the cost based modal as there are elements which do not exist or have been changed at this point of time like termination charge (reduced to 0.20 paise); ADC component does not exist; Incremental cost for roaming would have been changed, these are the important factors on which the Authority should concentrate while deciding ceiling for roaming tariff.

Spectrum pricing is also different to different access service areas and therefore, cost of roaming should include the burden of spectrum cost too.

Question 4: In your opinion, 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?

We are of the opinion that removal of the incoming call charge while roaming would have serious implications and result in imbalance in the tariff. Incoming call charge while roaming, includes cost in terms of NLD carriage to be paid to the NLDOs and

termination charges to be paid to the visiting network operator, thus if we adopt the regime of removal of burden of the cost for the incoming call while roaming then NLDOs as well as visiting network operator would suffer a lot in terms of revenue.

In view of the above, operators shall be forced to re-balance the tariffs (other than roaming) and subscribers who use roaming facility frequently will benefit to the detriment of subscribers who do not use roaming services so frequently This will not be a consumer friendly approach as all subscribers, especially the rural/low-end subscribers would be impacted.

Hence, we are of the view that burden of the cost for the incoming call while roaming should not be removed from the roaming subscriber.

**Question 5: In your opinion, 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?**

We are of the view that we should keep separate tariffs for the customer while roaming and home network. We would like to present our point with the following:

- Market economies & user tariff depends on the service area wise licensing regime. This has a direct impact when working towards the tariffs in a license service area. To do away with the roaming cost implies that the roaming & all other user tariffs in 'X' service area with a high license cost will be kept at par with the 'Y' service area with a much lower license cost.
- Doing away with roaming charges will also lead to complicated cost calculations. To illustrate, operator has to charge a user in Bihar service area calling a Haryana subscriber as per the STD tariff, but the same Haryana user in roaming (using the same carriage & accordant costs) will not be charged for incoming calls.

As we also know, the carriage costs are regulated by the Authority & the removal of roaming tariffs raises a question on the payouts to the NLDOs.

**Question 6: In your opinion, 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 the 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.**

Video calling, another service in the VAS portfolio is generally opted by the users who own high-end handsets & are willing to subscribe to the service, approving the cost implications for the same. We are of the opinion that the video calling service should be kept under forbearance.

**Question 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.**

In our view, since the visiting network is being utilized for supporting the SMS (just like the voice calls) while roaming and there are no fixed charges (rental etc.) for the visiting user, the usage charges should be considered, hence, we request the Authority not to put any ceiling on this cost.

**Question 8: In your opinion, would it be appropriate to allow special tariff vouchers for roaming subscribers?**

We are of the view that the TRAI should allow the option to provide the special Tariff Vouchers (STV) or Roaming Packs to its roaming subscriber to give him a choice to avail the discounted tariff on voice, SMS and Video services while roaming.

Further, the Roaming Pack charges to the subscriber should be left to market forces.

**Question 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?**

*Since we are working with very dynamic market scenarios, the planned comprehensive framework should be sensitive to the operator costs too.*