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TELECOM REGULATORY AUTHORITY OF INDIA  
NOTIFICATION

New Delhi, the 20<sup>th</sup> April, 2012

THE TELECOMMUNICATION TARIFF (FIFTY FIRST AMENDMENT) ORDER,  
2012

No. 2 of 2012

No. 301-26/2011-ER.— In exercise of the powers conferred upon it under sub-section (2) of section 11, read with sub-clause (i) of clause (b) of sub-section (1) of the said section, of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), the Telecom Regulatory Authority of India hereby makes the following Order further to amend the Telecommunication Tariff Order, 1999, namely: -

**1.** (1) This Order may be called the Telecommunication Tariff (Fifty First Amendment) Order, 2012.

(2) This Order shall come into force from the date of its publication in the Official Gazette.

**2.** In clause (2) of the Telecommunication Tariff Order, 1999 (hereinafter referred as the principal tariff order), after sub-clause (k), the following sub-clause shall be inserted, namely:-

‘(ka)’ ‘Premium Rate Service’ or ‘PRS’ means service for which charges are levied at rates higher than the rates applicable to the consumer as per his tariff plan.

**3.** In clause 3 of the principal tariff order, for the word and figures “Schedule I to XII”, the word and figures “Schedule I to XIII” shall be substituted.

**4.** In clause 6 of the principal tariff order, after sub-clause (iv), the following proviso shall be inserted, namely:-

“Provided that every service provider providing cellular mobile service shall offer to the subscriber at least one pre-paid and one post-paid Tariff plan with pulse duration of one second for local and national long distance calls.”

5. In sub-clause (vii) of clause 6 of the principal tariff order, after para (c), the following proviso shall be inserted, namely:-

“provided that nothing contained in this sub-clause shall apply to the calls terminated outside the country”.

6. After Schedule XII to the principal tariff order, the following Schedule shall be inserted, namely:-

**“SCHEDULE XIII**

**(See Clause 3)**

**Tariff for Premium Rate Services**

S.No.	ITEM	TARIFF
1.	Calls made to participate in contests and competitions and to vote in television and radio programmes.	Four times of the applicable local call charges in the Tariff plan opted by the subscriber, as ceiling.
2.	SMS sent to participate in contests and competitions and to vote in television and radio programmes.	Four times of the applicable SMS charges in the Tariff plan opted by the subscriber, as ceiling.
3.	All other matters relevant to tariff for Premium Rate Services.	Forbearance.”

(Raj Pal)  
Advisor(ER)

Note.1. – The Telecommunication Tariff Order, 1999 was published in the Gazette of India, Extraordinary, Part III, Section 4 under notification No.99/3 dated 9th March, 1999, and subsequently amended as given below:-

Amendment No.	Notification No. and Date
1 <sup>st</sup>	301-4/99-TRAI (Econ) dated 30.3.1999
2 <sup>nd</sup>	301-4/99-TRAI(Econ) dated 31.5.1999
3 <sup>rd</sup>	301-4/99-TRAI(Econ) dated 31.5.1999
4 <sup>th</sup>	301-4/99-TRAI(Econ) dated 28.7.1999
5 <sup>th</sup>	301-4/99-TRAI(Econ) dated 17.9.1999
6 <sup>th</sup>	301-4/99-TRAI(Econ) dated 30.9.1999
7 <sup>th</sup>	301-8/2000-TRAI(Econ) dated 30.3.2000
8 <sup>th</sup>	301-8/2000-TRAI(Econ) dated 31.7.2000
9 <sup>th</sup>	301-8/2000-TRAI(Econ) dated 28.8.2000
10 <sup>th</sup>	306-1/99-TRAI(Econ) dated 9.11.2000
11 <sup>th</sup>	310-1(5)/TRAI-2000 dated 25.1.2001
12 <sup>th</sup>	301-9/2000-TRAI(Econ) dated 25.1.2001
13 <sup>th</sup>	303-4/TRAI-2001 dated 1.5.2001
14 <sup>th</sup>	306-2/TRAI-2001 dated 24.5.2001
15 <sup>th</sup>	310-1(5)/TRAI-2000 dated 20.7.2001
16 <sup>th</sup>	310-5(17)/2001-TRAI(Econ) dated 14.8.2001
17 <sup>th</sup>	301/2/2002-TRAI(Econ) dated 22.1.2002
18 <sup>th</sup>	303/3/2002-TRAI(Econ) dated 30.1.2002
19 <sup>th</sup>	303/3/2002-TRAI(Econ) dated 28.2.2002
20 <sup>th</sup>	312-7/2001-TRAI(Econ) 14.3.2002
21 <sup>st</sup>	301-6/2002-TRAI(Econ) dated 13.6.2002
22 <sup>nd</sup>	312-5/2002-TRAI(Eco) dated 4.7.2002
23 <sup>rd</sup>	303/8/2002-TRAI(Econ) dated 6.9.2002
24 <sup>th</sup>	306-2/2003-Econ dated 24.1.2003
25 <sup>th</sup>	306-2/2003-Econ dated 12.3.2003

26 <sup>th</sup>	306-2/2003-Econ dated 27.3.2003
27 <sup>th</sup>	303/6/2003-TRAI(Econ) dated 25.4.2003
28 <sup>th</sup>	301-51/2003-Econ dated 5.11.2003
29 <sup>th</sup>	301-56/2003-Econ dated 3.12.2003
30 <sup>th</sup>	301-4/2004(Econ) dated 16.1.2004
31 <sup>st</sup>	301-2/2004-Eco dated 7.7.2004
32 <sup>nd</sup>	301-37/2004-Eco dated 7.10.2004
33 <sup>rd</sup>	301-31/2004-Eco dated 8.12.2004
34 <sup>th</sup>	310-3(1)/2003-Eco dated 11.3.2005
35 <sup>th</sup>	310-3(1)/2003-Eco dated 31.3.2005
36 <sup>th</sup>	312-7/2003-Eco dated 21.4.2005
37 <sup>th</sup>	312-7/2003-Eco dated 2.5.2005
38 <sup>th</sup>	312-7/2003-Eco dated 2.6.2005
39 <sup>th</sup>	310-3(1)/2003-Eco dated 8.9.2005
40 <sup>th</sup>	310-3(1)/2003-Eco dated 16.9.2005
41 <sup>st</sup>	310-3(1)/2003-Eco dated 29.11.2005
42 <sup>nd</sup>	301-34/2005-Eco dated 7.3.2006
43 <sup>rd</sup>	301-2/2006-Eco dated 21.3.2006
44 <sup>th</sup>	301-34/2006-Eco dated 24.1.2007
45 <sup>th</sup>	301-18/2007-Eco dated 5.6.2007
46 <sup>th</sup>	301-36/2007-Eco dated 24.1.2008
47 <sup>th</sup>	301-14/2008-Eco dated 17.3.2008
48 <sup>th</sup>	301-31/2007-Eco dated 1.9.2008
49 <sup>th</sup>	301-25/2009-ER dated 20.11.2009
50 <sup>th</sup>	301-24/2012-ER dated 19.4.2012

Note 2. – The Explanatory Memorandum explains the objects and reasons for the Telecommunication Tariff (Fifty First Amendment) Order, 2012.

## **EXPLANATORY MEMORANDUM**

Consultation Paper No.12/2010 on “*Certain issues relating to Telecom Tariff*” was issued by TRAI on 13.10.2010 for seeking the views of stakeholders. This Paper had *inter alia* deliberated on various aspects of multiplicity of tariff plans and the need for improving transparency in tariff offerings. Having concluded the consultation process, the Authority has decided to issue required regulatory measures to further improve the transparency for protecting the interests of subscribers. These measures are being issued through; (i) amendment in Telecommunication Tariff Order (Fifty First Amendment); (ii) The Telecom Consumer Protection Regulations, 2012; and (iii) through two sets of Directions relating to publication of telecom tariff plans and preventing misleading advertisements.

2. The Telecommunication Tariff (Fifty First Amendment) Order addresses issues related to Multiplicity of Tariff Plans and Transparency, need for providing Flexibility to operators in implementing ILD Tariff, and limiting the tariff for calls and SMS for participating in competitions and voting to four times the tariff for calls and SMS under the tariff plan applicable to the subscriber.

3. Concerns have been raised by the stakeholders from time to time regarding multiplicity of tariff plans in the access market. Attempts have been made in the past to address this issue by prescribing a cap on the number of Tariff Plans that can be offered by a access service provider at any given point of time. Initially the cap of 25 plans on offer was specified in the year 2002. This cap was reviewed in the year 2004 and 2008 after going through the process of consultation. On both occasions after examining the views of the stakeholders the Authority had decided to continue with the cap of 25 tariff plans on offer.

4. In the light of demands from certain consumer organisations, the Authority again sought the views of stakeholders through the above mentioned Consultation Paper on the desirability of reviewing the ceiling on the number of Tariff plans, particularly on the following issues:

- i) Whether ‘One Standard Plan, for all Service Providers, particularly for a prepaid subscriber would be relevant in the present scenario of Indian telecom market.**
- ii) Whether existence of large number of tariff plans are beneficial for subscribers.**
- iii) Whether there is need for revising the existing cap of 25 tariff plans on offer**

5. Only a few stakeholders have suggested ‘one plan for all’, while most other stakeholders have opposed the idea of ‘one plan for all’. On the question of revising the existing cap, there were differing views. The stakeholders who support ‘one plan for all’ or favoured further reducing the cap from the level of 25 have put forward the following supporting arguments:

- Mandating ‘*One Plan for All*’ for prepaid subscribers would be the answer to the problems of prepaid subscribers.
- Multiple plans are confusing for subscribers.
- Large numbers of tariff plans do not provide real choice but only confusion.
- It will be difficult for an average subscriber to compare such large number of tariff plans and to find out which one is beneficial to him.
- Lack of transparency in the large number of tariff plans makes the choice for subscribers very difficult.

6. The stakeholders who opposed ‘one plan for all’ and favoured either no cap or no further reduction in the existing cap have mainly put forward the following reasons:

- The single plan would be detrimental to the needs of consumers which are so dynamic and segmented and would not meet the requirements of different classes of consumers.
- Different tariff plans are designed to cater to specific segments of subscribers with unique needs and any curb on this flexibility would close the avenues for operators to innovate on new tariff plans.
- Mandating 'one standard plan for all Service Providers' will work against the introduction of new innovative schemes/ plans and customised benefits being provided to the subscribers.
- Enforcement of 'one standard plan for all Service Providers' is against the basic principles of promoting competition and contrary to the individual human requirements and preferences.
- The 'one size fits all' is anti-consumer.
- Different requirements of every consumer cannot be lumped together in one plan.
- More offers enables the customers to alter their usage pattern to better suit work/ social/ entertainment needs at affordable incremental cost additions.

7. In the opinion of a section of stakeholders the number of tariff plans offered is not the real concern but the manner in which they are offered is the real problem. If the transparency issues are effectively addressed, the subscribers will be in a position to choose tariff plans ideal for their usage even from a basket of large number of plans. The measures intended towards improved transparency in tariff offers have been addressed separately through The Telecom Consumer Protection Regulations, 2012 and two sets Directions relating to publication of telecom tariff plans and preventing misleading advertisements.

8. The Authority is in agreement with the majority view of the

stakeholders that mandating 'one plan for all' would be against the interest of different classes of subscribers. Such mandate would also adversely affect the flexibility available to Service Providers to provide customised services for meeting differing requirements of various consumer segments. The Authority feels that larger interest of subscribers would be served by retaining the existing cap of 25 plans unaltered and at the same time by ensuring the transparency measures that are already in place and also those envisaged as a result of the consultation process. The Authority, therefore, after considering the various viewpoints expressed by stake holders and assessing the prevailing market conditions, **has arrived at conclusion not to change the current cap of 25 tariff plans that can be offered by access service providers including post-paid and pre-paid.**

**Mandating one tariff plan on 'Per Second Billing' basis.**

9. There have been demands from certain sections of Consumer Groups to reduce the number of tariff plans on offer with a view to avoid confusion and to facilitate informed choice. After consideration of all facts including the feedback from the consultation process, the Authority has decided not to interfere with the currently prevailing ceiling of 25 tariff plans that can be offered by a Service Provider at any given point of time. However, at the same time the Authority feels that there has to be at least one tariff plan each for both post-paid and pre-paid subscribers with uniform pulse rate i.e. 'per second pulse', across all service providers so as to enable the subscribers to compare the tariffs offered by different service providers.

10. The telecom market has witnessed intense price competition primarily due to entry of several new operators in the already competitive mobile telephony market. Substantially reduced call rates and innovative tariff schemes were triggered as part of attempts by new players to gain a foothold

in the market. The mobile telephony market in the country being highly competitive, it was imperative for the incumbent operators to respond in equal measure in order to prevent erosion of their market share. The fear of large scale churn, particularly in the context of implementation of mobile number portability also compelled the operators to come up with innovative and attractive tariff offers. Pulse rate for mobile calls had been generally 60 seconds, though there were isolated instances where few service providers implemented a different pulse rate. In the June, 2009, one of the new service providers, introduced 'per second billing', which was received favourably in the market. Within a period of few months, almost all mobile service providers introduced second based tariff plans for mobile subscribers in one form or other.

11. Scrutiny of tariff offers available in the market shows that almost all the service providers currently have 'per second billing' options made available to subscribers for making Local and STD calls. While several operators launched regular tariff plans having lifetime validity with one second pulse, some other service providers have implemented 'per second billing' option for a limited period through special tariff vouchers. There are also regular post-paid tariff plans with per second billing for most of the operators. It has been observed that 'per second billing' system is more acceptable among majority of the subscribers, because it enables the subscribers to pay only for the actual usage.

12. In order to ensure that 'per second billing' remains an assured alternative option for all subscribers, **it has been decided to mandate that all service providers shall offer at least one pre-paid and one post-paid tariff plan with the pulse rate of one second for local and national long distance calls.** The service providers will be at liberty to offer alternative tariff plans with any pulse rate within the overall ceiling of 25 tariff plans.

## **Flexibility for revising ILD Tariff**

13. The Telecommunication Tariff (Forty third Amendment) Order, 2005 stipulates that a tariff plan once offered by an Access Provider shall be available to a subscriber for a minimum period of six months from the date of enrolment of the subscriber to that tariff plan. Further, any such plan with validity of more than six months or having lifetime or unlimited validity in lieu of an upfront fee payment shall continue to be available for the entire duration of the plan, as offered. The TTO also mandates that no tariff item in a tariff plan shall be increased during the entire promised validity of the plan. As a result, the service providers are debarred from effecting changes to the disadvantage of an existing lifetime subscriber during the entire license period.

14. The service providers had represented to the Authority that the above said provision is coming in their way of implementing any increase in ILD tariffs necessitated by unforeseen circumstances or factors beyond their control. They had sought flexibility to implement revision in ILD tariff across the board including for the existing subscribers. The service providers and their associations have extended the following main grounds in this regard:

- (i) Increase in termination charges to several countries.
- (ii) Increase in foreign exchange rate.
- (iii) The factors relevant for deciding ILD tariffs are outside the control of Regulatory Authority in India.
- (iv) The price freeze on all tariff items for lifetime customers without providing a corresponding guarantee that there shall be no increase in the input costs is unfair.
- (v) A large percentage of subscriber base is in the lifetime prepaid category and the bar on increasing tariff for this category of subscribers is creating difficulties in recovering the cost of ILD business.

- (vi) The termination charges for incoming international calls are specified in the IUC Regulation and the Indian service providers do not possess the equal opportunity to negotiate bi-lateral agreements on a reciprocal basis with their overseas counterparts.
- (vii) In the case of ILD tariffs, the revision in tariffs is necessitated by commercial and financial reasons affecting sustainability of business, the same may not be considered as a case of arbitrary increase in tariffs which is intended to be barred by the 43<sup>rd</sup> TTO amendment.

15. In the context of the representations made by Service Providers and their Associations, the Authority decided to seek the views of stakeholders as to whether the hike in ILD Tariff could be made applicable across all subscribers including the existing lifetime subscribers. Therefore, though the above mentioned Consultation Paper the following issue was raised:

**“Do you think there is sufficient justification to allow the service providers to realign the ILD tariff in respect of existing lifetime subscribers in view of the grounds mentioned in their representations?”**

16. The service providers as well as their associations have responded in affirmative to this question and have reiterated the submissions in their earlier representations and have drawn attention to the fact that the Authority revises prices for free to air channels for CAS areas to compensate operators for inflation. They have made some additional points, like;

- a) Tariffs are offered to the customers on the basis of existing costs and costs projected over a shorter period of time which cannot be frozen.
- b) Whenever prices of utilities like gas, water, and electricity are increased, it is effective for all consumers irrespectively when the subscriber has started using that service.

- c) The contractual agreement with the lifetime subscribers should be considered only for the local and STD usage which is under the control of the Indian service providers.

17. The views of the consumer organizations are divided on this issue. One group of CAGs are of the view that there is not sufficient justification to allow the service providers to realign the ILD tariff, whereas other CAGs have not opposed the request of the service providers being considered by the TRAI on merit. The responses from Individuals/Individual organizations are generally in favour of realignment of the ILD tariffs for existing Lifetime customers. There are also suggestions that the subscribers who paid a substantial amount as upfront fee for enrolling into Lifetime schemes may be provided a percentage of that fee in the form of free talk time or the subscribers may be provided with the cost of switching the service provider (SP).

18. The Authority has considered the rationale for prohibiting hike in any tariff component as per the 43<sup>rd</sup> Amendment, the developments that have taken place after the 43<sup>rd</sup> Amendment was notified and the views expressed by stakeholders during the consultation process. In arriving at a conclusion to have a separate tariff regulatory regime for lifetime validity plans vis-à-vis other tariff plans (through 43<sup>rd</sup> Amendment to TTD), the Authority was influenced by the following facts and features of the lifetime validity plans that were on offer:

- (a) An upfront payment of substantial amount, which was in the region of Rs.1000/-, was payable by the subscribers for getting enrolled into the plan.
- (b) No fair exit options were provided for the customers thereby restricting their ability of free choice of the plans on offer.
- (c) The call charges applicable in lifetime plans were higher compared with the normal prepaid plans.
- (d) Initially various optional packs/top-ups were not offered to the lifetime customers by many operators.

19. The lifetime validity plans have been in the market for almost six years after their first launch in December, 2005. The features of the lifetime plans have undergone substantial changes with the passage of time due to intense competition. At present, the upfront payment applicable in lifetime schemes has come down to a negligible level of Rs.25/-, including many operators providing SIMs with lifetime validity free of charge. The call charges applicable in the lifetime schemes are also at par with standard applicable rates. The subscribers of lifetime plans get an equal consideration in matter of subscription to various add-on/top-up vouchers. These developments seem to imply that the factors which guided the Authority while framing the 43rd Amendment to TTO, have been considerably taken care of by the market forces. Another important development is that the Authority has prescribed a ceiling on the processing fee applicable on exclusively talk-time top ups effective from 15.09.2008. In the initial period of lifetime schemes subscribers were to pay processing fee which was as high as 25% of the price of Talk-time top ups. Thus, over a period there have been several positive developments which have worked to the advantage of the existing lifetime subscribers.

20. The main argument contained in the submissions made by service providers/their associations is that the factors governing the cost of ILD tariffs, like that of international roaming tariffs are beyond their control. They have also mentioned about increase in termination charges in respect of ILD calls to several destinations resulting in higher pay out and negative revenues on account of freeze in the ILD tariffs offered under lifetime plans. These arguments are valid to a great extent.

21. The Authority recalls that the Service Providers had raised certain objections at the time of Notification of 43<sup>rd</sup> Amendment. The objections were in the context of apprehensions by the industry that there could be unforeseen factors beyond their control that would affect the cost of provisioning of service

in future. While addressing these concerns the Authority vide Para 7 of the Explanatory Memorandum of the 43<sup>rd</sup> Amendment had stated:

*“... it is important to realize that the cost of providing telecommunication services is on the decline and thus the apprehensions raised in this regard of a possible hike in cost of providing services in future are untenable. The Authority is also of the view that in event of the apprehensions pointed out by the industry Associations becoming true, the provisions of this Amendment can be reviewed”.*

The changes proposed to be effected at this stage are to be seen as the result of the review envisaged at the time of notifying 43<sup>rd</sup> Amendment.

22. What the 43<sup>rd</sup> Amendment to TTO envisaged was essentially that the basic considerations which induced a subscriber to join a tariff plan shall not be altered to his disadvantage for a specified period. In this context the Authority has examined whether the ILD rates formed part of the basic considerations for a subscriber to enrol into particular tariff schemes. As per the data available with the Authority, the GSM mobile originated traffic distribution shows that ILD calls, on an average constitute only a negligible share of 0.24%. In the case of CDMA mobiles, this is even lesser i.e. 0.10%. In terms of the actual minutes of usage, the data shows that a mobile subscriber uses on an average less than half minute of ILD calls in a month. These figures would reveal that ILD calls or the rates thereof may not be a major factor that influences a subscriber in choosing any particular plan. Moreover, ILD rates are not Plan Specific and generally the operators have uniform ILD rates across various plans on offer. Therefore, it may not be logical to assume that a subscriber has opted for a particular tariff plan considering the ILD rates applicable in that plan.

23. In the light of facts and circumstances described above, **the Authority has decided to exclude ILD call rates from the purview of the Tariff**

**Protection envisaged vide 43<sup>rd</sup> Amendment.** This decision of the Authority is being made effective by adding a proviso in sub clause (vii) of Clause 6 of the TTO. Since the ILD rates are treated as a separate component, any upward or downward revision can be made applicable to all subscribers uniformly irrespective of the date on which the subscriber was enrolled into a tariff plan.

24. The Authority will continue to keep a watch to ensure that the flexibility being given to the Service Providers is not misused. The Authority expects the Service Providers not to effect upward ILD tariff revisions exclusively for existing subscribers. Such revisions will have to be uniform for subscribers of all tariff plans, existing as well as new. It is also expected of Service Providers to ensure that existing subscribers shall remain eligible for subscribing to any special packs providing free or concessional ILD usage charges.

#### **Tariff for Premium Rate Services**

25. Premium rate services (PRS) generally offer some form of content and include services like helpline services, competition, voting, ring tones, gaming etc. The services include both telecommunication services as well as non-telecommunication (“content”) services, which are both billed by the provider of the telecommunication service. Access to PRS is through special members and charges for such services are levied at rates higher than the rates applicable to the consumers as per his tariff plan. The revenue generated through the PRS is shared between the Telecom access provider and the content service provider.

26. Some consumer organisations had represented to TRAI against high usage charges and lack of transparency in provision of premium rate services. Particularly, attention of Authority was drawn to the issue of mushrooming growth of “Pull SMS” and “Pull Calls” for participating in competitions and voting organised through various television programmes and FM radios. With a view to exploring the possibility of prescribing regulatory measures to address

the concerns of the consumers, this issue was included in the consultation process on 'certain issues related to telecom tariff'. The following Questions were raised for comments of stakeholders:-

- ***Should there any limit be prescribed on the rates for the premium rate SMS and calls? If so, what should be the norms for prescribing such limit?***
- ***If not, what further measures do you suggest to improve transparency in provision of premium rate services to prevent the instances of subscribers availing such services without understanding financial implications thereof?***

27. The Service Providers as well as their associations were firm in their view that there is no need to prescribe any limit on the rates for premium services and the same should be left to the market forces. It was pointed out that there are quite a large number of content services with each service differing in content, cost, and demand and there cannot be a standard limit for all content based premium services. The price regulation of premium rate services, according to them, will restrict the growth of value added services and will also seriously affect the viability of the telecom operators.

28. The Consumer Organisations were generally in favour of prescribing a limit on tariffs for premium rate services. Some have suggested that the rate of premium services must be limited to 2 or 3 times the normal rate chargeable. There was also a view that any rate or tariff should be on the basis of resources spent by the service provider and no other consideration. Several measures to address the concerns relating to PRS also came up during the consultation process. The suggestions include allocation of exclusive numbering range for PRS, mandating announcement of tariff at the beginning of the call, excluding waiting time from the duration for charging, hence, transparency in billing and advertisement etc.

29. The Authority considered the view points expressed by stakeholders and the practices currently followed by SPs in the provision of PRS. As per the tariff framework in vogue, flexibility has been given to SPs to determine prices for various service components including PRS. Since PRS constitutes more than a simple two-way communication and include the value for the content, there is no doubt that charges will be higher vis-à-vis the normal tariff applicable for subscribers. The value of the content may vary vastly which will also be reflected in the end user prices. The Authority does not intend to restrict the growth of services involving content nor to curb the revenue streams available for the service providers.

30. As regards prescribing tariff for all PRS, it is not practically possible to fix prices for each PRS due to the number and categories of such services being too large. At the same time the Authority felt it appropriate to spell out some degree of price certainty in respect of the most commonly used PRS like participation in contests and competitions. Unlike other Premium Rate Services where the value of the content is substantial, the content element involved in the calls and SMS made for participating in competition and voting, is minimal. In this type of PRS the telecom service provider essentially provides facility for transmission of such calls and SMS. However, keeping in view the fact that revenue from such calls and SMS is shared by the telecom service provider with other parties, therefore, charges for such calls and SMS are higher compared with those of normal calls and SMS.

31. It is observed that the SPs generally charge Rs.2/- to Rs.5/- per minute for each call made and each SMS sent to participate in the contest, voting, survey and competitions. While it is the choice of the subscriber to make or not to make such calls/ SMS, an unreasonably high price results in undue gain to the SP at the cost of the customer. This leads to customer dissatisfaction and complaints. As per the present practice PRS is priced

uniformly for subscribers of all plans irrespective of the rates available in the tariff plan. Thus, there is no relation between the rates available in the tariff plan and those charged for PRS.

32. In view of the above, the Authority has now decided to relate the charges for calls and SMS meant for participating in contests and competitions including for voting in television and radio programmes, to the rates available in the tariff plan of the subscriber. **The tariff for such PRS as stated in this Order shall not exceed four times of the applicable Local call/ SMS charges.** The Authority is aware that there are differential Local call rates in the same tariff plan for peak/ off-peak, on-net/off-net calls and SMS. For the purpose of ceiling tariff specified in this Order, the higher tariff for Local calls/ SMS applicable in the plan would be taken into account in situations where more than one rate is available. Similarly the free or discounted call/SMS charge, if any, provided for specific duration through Special Tariff Vouchers, shall not be reckoned for the purpose of the specified ceiling as these are not the rates applicable in the Tariff plan. Since the rates indicated are by way of ceiling, SPs are at liberty to fix any rate less than four times of Local call/SMS tariff.

33. As regards improving transparency in provision of PRS, it has already been mandated through the Telecom Consumers Protection Regulations, 2012 that every service provider providing or giving access to a Premium Rate Service shall ensure that the rate of such call is conveyed to the consumer through a voice alert prior to the materialisation of the call.

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