



Response to the TRAI Consultation Paper on Regulation of International Mobile Roaming Services' released on May 26, 2020

At the outset, COAI welcomes the opportunity to provide its views on the TRAI Consultation Paper on 'Regulation of International Mobile Roaming Services'.

We would like to make following submissions on the issues raised by TRAI in the Consultation Paper:

Preamble:

In the Indian Telecommunication market users have benefited significantly from the competition through lower prices, more choice, better quality of services and a significant increase in service innovation. The telecom subscribers have been empowered, by the TSPs, as they have been provided with better information and more flexibility in making choices in the market. One of the areas wherein the TSPs have made significant efforts protecting and empowering consumers when roaming internationally.

TSPs have taken various initiatives to help Consumers while roaming internationally and to avoid any kind of bill shocks. Some of the initiatives taken by the TSPs are as below:

I. Initiative by the TSPs to help customers and to avoid Bill Shocks:

- a) Some of the TSPs have re-defined international roaming with yet **another innovation and customer friendly initiative that allows customers to track usage real-time and enable/disable IR service with one click on their app.**
- b) Some TSPs also provide the option to their customers to pre-book IR packs (also available for prepaid customers) covering most traveled countries.
- c) **Following Communication is sent to Users through various channels going for International Roaming:**
 - i. Warning that mobile prices in visited countries are different in level and structure and can result in high charges if sufficient care is not taken by the subscriber;

- ii. About the roaming prices and that detailed information is available on TSPs web sites. (Such data is easy to find on the website and provided in a simple and easy to use form)
- iii. Information of a technical nature available on web sites
- iv. Warning that applications on Smartphones may incur charges when roaming because of automatic updating, searching location information, etc., even if not actively used by the subscriber and how to turn off data roaming;
- v. Wherever possible how to ensure that a partner's network (visiting network) is being used in a visited country;
- vi. Alerts on data consumption after certain percentages

II. **Self – Regulation w.r.t International Roaming practices need to be encouraged**

- a) We would hereby like to mention that the operating cost of the TSPs on compliance is a significant part of the total operating cost and is on continuous increase. The increasing compliance-related cost pressures, at the current state of financial stress are having considerable downward pressure on returns of the TSPs.
- b) The endeavor of the Regulator need to be the reduction in the cost of the compliance for the TSPs and at the same time, also ensure that the consumers receive clear and concise information on tariffs and are not disenfranchised in any manner.
- c) As TSPs are already taking various initiative to keep customers informed about the International Roaming Charges, International Roaming packs and measures to avoid Bill Shocks, we are of the view that Self – Regulation by the TSPs need to be continued and encouraged.
- d) **Self-Regulation includes the following:**
 - i. Transparent information on IMR retail rates and structure before users roam internationally;
 - ii. **Welcome SMS with roaming tariff information** i.e. Sending text messages to remind customers of their data roaming tariffs when they arrive in another country and turn on their mobile device;
 - iii. Usage alerts when users start to roam;
 - iv. Warning alert when a certain cost has incurred;
 - v. Roaming cost caps;

- vi. Temporary cut-offs when limits are exceeded i.e. Temporarily suspending data service when usage exceeds the spending limit

III. Price Regulation w.r.t. Regulating international Tariffs :

- a) We are of the view that TRAI should consider any type of price regulation i.e. in Tariff/ Tariff structure/Tariff format as a last resort, after transparency measures and innovative IMR/ IP pricing have failed to address consumer complaints, and after structural barriers have been removed. The costs and benefits of the regulation must be carefully assessed, taking into account unique economic factors such as national variances in income, GDP, inflation, exchange rates, mobile penetration rates and the percentage of the population that travels internationally, as well as the incidence of international travel to neighboring countries, all of which have an impact on IMR prices.
- b) In the past decade, competition between mobile operators has yielded rapid innovation, lower prices and a wide choice of packages and services for consumers. Imposing roaming regulation on mobile operators not only reduces revenue and increases cost, but it also deters investment and innovation.
- c) Competitive market dynamics are the best frameworks from which to determine the price for international mobile roaming services. Mobile users choose a mobile tariff based on the full value it provides across a number of services and operators optimise the pricing and value of the bundled tariff to address the needs of their local market. Regulating on the roaming elements of the tariffs reduces operators' flexibility to tailor its services for the mass market of end-users. Also, regulating international Tariff/Tariff Structure/Tariff format may result in short-term benefits for mobile users; however, these are more than likely to be offset in the long-term by a reduction in the level of competition and innovation.
- d) It has been pointed out by the GSMA that, Governments and regulators should eliminate structural barriers that increase costs and cause price differences between countries.
- e) Further, we would like to submit that international mobile roaming is a complex service, involving many different factors that can influence the price such as traffic flow, revenue flow, extent and nature of wholesale rates, type of service, termination rates, Wi-Fi, OTT, local SIM use etc. Any rationalization or intervention in respect of IMR will have to consider all these aspects.
- f) Also, International Roaming rates are decided based on the commercial conditions and arrangements between the Domestic service providers, International Service Providers and Carriers. In this regard, we would like to submit that Regulator can only regulate the domestic TSPs, while the international component of the Roaming rates cannot be regulated by them. Hence, regulating only one leg of the International rates i.e. Domestic,

will disenfranchise the domestic TSPs, who will have cut its margins and will have lesser bargaining power w.r.t its international partner.

- g) We would further like to submit that the Authority has always followed the light touch regulatory regime, in order to offer freedom to design the tariff offerings as per prevailing market conditions, and customer expectations. TSPs have always published their tariff offers in a transparent and simple manner for protecting the interests of consumers.
- h) **Thus, we would like to submit that Roaming rates both wholesale and retail, Roaming Tariff structure have been under forbearance, TRAI has rightly left it to be decided by the market forces and the same should be continued.**

Our question wise response is given below:

Question 1: Should not the IMR service remain inactive at the time of issue of the sim till the same is activated by the subscriber as a part of the IMR tariff-selection exercise? Please elaborate your submissions.

Question 2: Should it not be mandatory to communicate the details of activation and applicable tariff immediately by SMS or email on completion of the tariff-selection exercise by the subscriber? Please give your views.

Question 3: Should not the tariff details and related terms and conditions be communicated to subscribers of IMR service by SMS and/or email as soon as the phone is switched on in the visiting country by the subscriber. Please elaborate your views.

COAI Response:

1. We are of the view that instead of knowing the International Roaming status, as active or not, the more important factor for a subscriber is to be aware of the tariff/charges while roaming internationally. Our member operators are committed to ensuring that tariff-related information is easily available to the customers in a transparent manner. While subscribers may or may not be aware regarding the exact amount of charges applicable while international roaming, since it varies from destination to destination, they are certainly aware of the fact that they would be charged at a much higher rate while roaming internationally.
2. Thus, we are of the view that the decision regarding activation of International Mobile Roaming (IMR) services should be left to the TSPs. In case TRAI feels that some standard guidelines should be adopted by all TSPs regarding IMR services activation, we suggest that while IMR services for postpaid should remain de-active, considering that the Bill shock issues w.r.t. postpaid services.

3. However, all services including IMR, should be active for pre-paid subscribers, since prepaid subscribers make the advance payment to avail any of the services at any given point of time. Further, considering the currently available tariffs in the market, most of the prepaid subscribers are opting for bundled packs (voice+ data+ SMSs) and have little or no core balance which they can use to avail IMR services. Hence, the issue of Bill shock doesn't apply in the case of prepaid subscribers.
4. Considering the rapid adoption of smartphones and use of data services by the subscribers, we suggest that TSPs can send SMS advice to the subscriber at the time of landing suggesting them to keep the data off in case the subscriber has not opted for any IR pack. This will ensure that subscribers take an informed decision regarding the use of data services. Thus, instead of keeping the IR service inactive, which may create a problem for subscribers as acknowledged by TRAI in para 3.3 of the consultation paper, **the focus should be informing the subscribers regarding the charges and advising them regarding the use of data service or IR packs that they can use while roaming internationally.**
5. It is further submitted that presently our members inform the customers all the necessary details such as International Roaming tariff and validity by SMS/e-mail/App at the time the customer gets the IR pack activated or on landing to the foreign destination. We are of the view that this existing process is sufficient and no further regulation is necessary in this regard.
6. In view of above, we suggest that the currently followed process for activation of IMR services and information regarding the IR tariff applicable at the time of IR pack activation/landing at a foreign destination is sufficient and no explicit regulation is required.
7. We further, suggest that TSPs can make aware of the higher charges applicable to the subscribers if they have not opted for IR pack through SMS which would be more helpful to the subscribers.

Question 4: Please give your views on the significant differences in tariffs for IMR Service under Standard Rates and IR Packs. Furthermore, your views are solicited as to how these two rates can be rationalized.

COAI Response:

1. The tariffs for International Mobile Roaming (IMR) services depend upon many factors such as traffic flow, revenue flow, extent and nature of wholesale rates, type of service, termination rates, Wi-Fi, OTT, local SIM use etc. Any rationalization or intervention in respect of IMR will have to consider all these aspects apart from the fact there are bilateral contracts which if modified due to interventions will lead to unanticipated consequences.

2. There are significant number of customers who subscribe to Standard Rates, even where IR packs are available since standard rates are relevant for such low users who are happy to use SMS or occasionally voice calls.
3. Standard rates and IR packs are two different constructs and have different commercial relevance and use. While Standard Rates are on pay as you go basis , IR packs are linked to a tenure with certain conditions. The IR Packs have been introduced recently led by data growth in mobile. It may not be correct to assume that Standard Rates are that high so that a customer can be threatened of Bill Shock Trap. If one has a Wi-Fi or foreign connection abroad then that roamer will not use Indian SIM for data. At best it will be used for SMS based transactions for which one will take Standard Rates. Similarly, a family travelling may take IR Pack for one member but remaining will be on Standard Rates, with data services on roaming deactivated.
4. In case of any packs, be an IR pack or even the local/national level STVs/packs, the actual realized rates in packs will be higher than the offered rates and hence the comparison of any pack with the standard (base) tariff may not be correct.
5. In view of the above, we submit that the standard rates and IR pack rates are designed keeping in view of various customer's requirements and any comparison on the offered rates under these two categories is unwarranted.

Question 5: Should not the IR packs apply automatically the moment subscriber's expenses on IMR Services exceed the corresponding daily IR Pack rate unconditionally for all the countries for which the service provider is offering IR Packs?

COAI Response:

1. We are of the view that this should be left to the market forces and self-regulation. Some of our member TSPs has implemented this concept wherein if a subscriber's expense on IMR service exceeds the corresponding daily IR pack for all the countries, wherever daily IR packs are available, then that daily IR pack gets applicable automatically.
2. Protection of consumers from any Bill shock is of paramount importance for the TSPs and each TSP has devised its own mechanism to ensure that its subscriber take informed decision and get best value of their money. While, methods to offer the subscription of IR packs may be different for the TSPs, however as long as these methods serves the subscribers and protect them from any Bill shock, then, we are of the view that no regulatory mandate should be prescribed.

Question 6: Can IR Packs presently offered for one day duration be used to subscribe for multiple days to avail IMR Service? Whether the TSPs be mandated to permit combination of different IR plans as per requirement of the consumer? Please elaborate your submissions.

COAI Response:

1. Telecom market has become very dynamic in nature where new and innovative products are required to be launched into the market as per the fast-changing requirements of the customers. The offering of IR packs depends on the demands from the subscribers along with the arrangement the TSPs have with various roaming partners/aggregators. The IR packs being offered by the TSPs for various durations are designed keeping in mind the subscriber's requirements and the international roaming arrangements.
2. Since the subscriber requirements and demands are the driving factors for any packs/tariff offers of the TSPs, thus, we are of the view that this should be left to the market forces

Question 7: Why should not the IMR tariff be counted in 24 hour format on the first use of data, making or receiving a call or sending a text message and renewing the charges for only those 24-hour periods in which the services have been used rather than on calendar day basis .? Please elaborate your submissions.

COAI Response:

1. We are of the view that it should be left to the market forces to decide what format to offer and the current system of self-regulation should be maintained in this regard as well.

Question 8: In consumer interest why it should not be mandated for the service providers to send updates in respect of the data usage exceeding certain pre-established milestones such as 50%, 80%, 90% and 100% of the data entitlement? Please give your views.

COAI Response:

1. Yes, we agree with TRAI that service providers should send updates in respect of the data usage exceeding certain pre-established percentage of the data entitlement.
2. Operators already send SMS alert after certain percentage e.g.50%, 90% and 100% of data usage to their subscribers roaming internationally and using IR packs with data quota.

3. Though, there may be instances that due to the technical challenges there can be delayed notification between the visited and home networks, resulting in a delayed message to the customer.
4. We are of the view that there should not be any mandatory provision w.r.t sending updates in respect of the data usage exceeding certain pre-established milestones. It should be left to the TSPs to self-regulate and send the updates in respect of data usage on exceeding certain milestones defined by them.

Question 9: Will it not be advisable to mandate the TSPs to inform the subscriber by SMS every time the subscriber lands in a country/area not covered by the IR Pack subscribed, of the fact of roaming in an uncovered zone, and the tariffs applicable thereto? Would the aforesaid requirement suffice or whether alongside this, the TSPs be mandated to keep the mobile data in the inactive mode and activate only in accordance with the directions of the subscriber? Are there any other measures that can be taken to cover the situation as detailed?

COAI Response:

1. As per extant provisions as mentioned in Para 2.17 of the consultation paper, our member operators do inform/advice the subscribers, immediately after the subscriber roams outside the territory of India, to deactivate the data services on his mobile phone if he does not intend to use data services while roaming outside the country. Hence, informing the subscribers regarding unavailability of IR packs of a country once the subscriber lands into that country can be explored.
2. Some of our members are already informing the subscribers through SMS regarding the unavailability of their IR packs for that country. Hence, we are of the view that this can be implemented by all the TSPs. The said option would be easier for the subscribers to understand and take informed decisions rather than mandating the TSPs to keep the data service inactive.

Question 10: What are your views on the measures suggested in para 3.20 to protect the consumer from bill shocks dues to usage of services beyond the pack entitlements? Please provide your views on each of the above measure and suggest additional measures, which in your opinion can be helpful in addressing the issue.

COAI Response:

1. While we agree with the intent of the measures suggested by TRAI in para 3.21 of the consultation paper, we are of the view that in the case of data services, the suggestion made in point (a) of para 3.21 can be implemented.

2. In case of voice/SMS services, many times, real-time updates regarding the usage may not be available with the TSPs and hence barring the voice and SMS services after subscriber consumes 100% of voice/SMS quota from the IR pack would be difficult for the TSPs. Also, in case of voice, blocking of voice services post-pack quota is not required since many times customers just need to talk for few minutes even knowing that they have finished the voice usage quota of their pack. Barring the voice service will lead to dissatisfaction of the subscribers. Further, TSPs facilitate the subscribers regarding their used quota and available quota through their apps and the same can be referred by the subscribers.
3. Regarding suggestion given at point (b) of para 3.21, we are of the view that due to the reconciliation process which takes more than 24 hours and in some cases days, it would be difficult for the TSPs to do the capping at the time the subscriber reaches its credit limit. Hence, the implementation of this suggestion may not be feasible.
4. Regarding suggestion given at point (c) of para 3.21, please refer our response to Q5.

Question 11: Any other issue relevant to the subject discussed in the consultation paper may be highlighted.

COAI Response: No Comments
