

Telecom Regulatory Authority of India

New Delhi

September 17, 1999

In exercise of the powers conferred upon it under sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 to notify, by an Order in the Official Gazette, tariffs at which Telecommunication Services within India and outside India shall be provided, the Telecom Regulatory Authority of India hereby makes the following Order.

THE TELECOMMUNICATION TARIFF (FIFTH AMENDMENT) ORDER 1999 (6 of 1999)

1. Short title, extent and commencement:

- (i) This Order shall be called "The Telecommunication Tariff (Fifth Amendment) Order 1999."
- (ii) The provisions of this Order shall to the extent of their variance override those of the Telecommunication Tariff Order 1999, Telecommunication Tariff (First Amendment) Order 1999, Telecommunication Tariff (Second Amendment) Order 1999, Telecommunication Tariff (Third Amendment) Order 1999 and Telecommunication Tariff (Fourth Amendment) Order 1999.
- (iii) In this Order, "Act" means the Telecom Regulatory Authority of India Act, 1997.

2. In Schedule I (Basic Services other than ISDN) of the Telecommunication Tariff Order 1999, with effect from the date of implementation of the calling party pays (CPP) regime for cellular mobile:

(i) Item 1.bis to be added as under:

<u>(1.bis) Date of implementation for tariffs for calls to cellular mobile under a calling party pays tariff (CPP) regime for cellular mobile</u>	01 November, 1999
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(ii) Under Item 11, Item 11.a.bis as under to be inserted between Items 11.a and 11.b:

<u>(11) Pulse Rate for local calls</u>	
<u>(11.a.bis) Calls to cellular mobile</u>	Two pulses on answer at the beginning of the call, and one pulse every 60 seconds thereafter.

(iii) Under Item 12, Item 12.a.bis as under to be inserted after Item 12.a, and Items 12.a.bis.i to 12.a.bis.iii as

under to be inserted after Item 12.a.iii:

(12) Pulse rates for peak hours				
(12.a.bis) For Subscriber trunk dialed domestic long distance calls to cellular mobile	Two pulses on answer at the beginning of the call, and one pulse thereafter at the rates specified below.			
Radial distance Between the originating charging centre and (Seconds) charging centre in which the Gateway MSC Is located	From 1 November, 1999 to 31 March, 2000			
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Up to 50 kms.	Same as for local call to cellular mobile			
Above 50 kms. and up to 200 kms.	11			
Above 200 kms. and up to 500 kms.	4.4			
Above 500 kms. and up to 1,000 kms.	3.3			
Above 1,000 kms.	2.3			
Note:				
(1) The pulse rates for subsequent period will be separately prescribed later.				
(2) "Gateway MSC" is the MSC which is connected to other public networks, such as PSTN, by a clearly defined Network-Network Interface.				

(12.a.bis.i) Peak hour tariffs for a STD call of one minute duration to cellular mobile at pulse charge of	Radial distance Between the originating charging centre and (Seconds) charging centre	From 1 November, 1999 to 31 March, 2000
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Rs. 0.80 per metered call	in which the Gateway MSC Is located ----- Up to 50 kms. 2.40 Above 50 kms. and up to 200 kms. 5.60 Above 200 kms. and up to 500 kms. 12.00 Above 500 kms. and up to 1,000 kms. 16.00 Above 1,000 kms. 22.40
(12.a.bis.ii) Peak hour tariffs for a STD call of one minute duration to cellular mobile at pulse charge of Re. 1 per metered call	Radial distance Between the originating charging centre and (Seconds) charging centre in which the Gateway MSC Is located ----- From 1 November, 1999 to 31 March, 2000 Up to 50 kms. 3.00 Above 50 kms. and up to 200 kms. 7.00 Above 200 kms. and up to 500 kms. 15.00 Above 500 kms. and up to 1,000 kms. 20.00 Above 1,000 kms. 28.00

<p>(12.a.bis.iii) Peak hour tariffs for a STD call of one minute duration to cellular mobile at pulse charge of Rs. 1.20 per metered call</p>	<p>Radial distance Between the originating charging centre and (Seconds) charging centre in which the Gateway MSC is located</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Up to 50 kms.</td><td style="width: 50%; text-align: right;">3.60</td></tr> <tr> <td>Above 50 kms. and up to 200 kms.</td><td style="text-align: right;">8.40</td></tr> <tr> <td>Above 200 kms. and up to 500 kms.</td><td style="text-align: right;">18.00</td></tr> <tr> <td>Above 500 kms. and up to 1,000 kms.</td><td style="text-align: right;">24.00</td></tr> <tr> <td>Above 1,000 kms.</td><td style="text-align: right;">33.60</td></tr> </tbody> </table>	Up to 50 kms.	3.60	Above 50 kms. and up to 200 kms.	8.40	Above 200 kms. and up to 500 kms.	18.00	Above 500 kms. and up to 1,000 kms.	24.00	Above 1,000 kms.	33.60	<p>From 1 November, 1999 to 31 March, 2000</p>
Up to 50 kms.	3.60											
Above 50 kms. and up to 200 kms.	8.40											
Above 200 kms. and up to 500 kms.	18.00											
Above 500 kms. and up to 1,000 kms.	24.00											
Above 1,000 kms.	33.60											
<u>Note: The above amounts provide for a double pulse on answer.</u>												

(iv) Under Item 13.a, Item 13.a.i.bis as under to be inserted after Item 13.a.i, and Item 13.a.ii.bis as under to be inserted after Item 13.a.ii:

<p><u>(13.a) For manual trunk calls</u></p> <p><u>(13.a.i.bis) To cellular mobile from/to places with STD facilities</u></p> <p><u>(13.a.ii.bis) To cellular mobile from/to places without STD facilities</u></p>	<p>(i) Rs. 5 per call</p> <p><u>Plus</u></p> <p>(ii) Tariff for STD domestic long distance calls, as applicable to calls to cellular mobile</p> <p><u>Provided that,</u></p> <p>The minimum tariff under this plan may be the amount applicable to a one minute STD domestic long distance call.</p> <p>The above tariffs are ceilings.</p> <p>Tariffs shall be the same as in (13.a.i.bis) above, assuming as if these places have STD facilities.</p>
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3. In Schedule II (Cellular Mobile Telecom Service) of the Telecommunication Tariff Order 1999, with effect from the date of implementation of CPP for cellular mobile, the existing Items 1, 7, 8, 9, 10, 11, 12, and 13 shall be substituted to read as under:

ITEM	TARIFF
<u>(1) Date of implementation</u>	01 November, 1999
<u>(7) Rental</u>	Rs. 475 per month for metro service areas, and Rs. 500 per month for circle service areas
<u>(8) Airtime charge for all outgoing calls during standard hours</u>	<p>(a) For metro service areas: Rs. 4 per minute for the first minute and thereafter Rs. 2 per 30 seconds duration</p> <p>(b) For circle service areas: Rs. 4.50 per minute for the first minute and thereafter Rs. 2.25 per 30 seconds duration</p>
<u>(9) Airtime charge for all outgoing calls during concessional hours</u>	<p>Forbearance, subject to condition that tariff should be below standard hour tariff;</p> <p>Provided that airtime during Sundays and three National Holidays (26th January, 15th August, and 2nd October) shall be priced at Concessional rates</p>
<u>(10) Tariffs for all incoming calls to cellular mobile</u>	No charge to the called party
<u>(11) Tariffs for outgoing calls from Mobile to PSTN</u>	<p>Tariff to comprise airtime; plus Supplementary long distance charge if applicable; plus Payment by cellular mobile network provider to PSTN network provider for local or long distance call as applicable from time to time for the fixed network</p>
<u>(12) Tariffs for outgoing calls from Mobile to Mobile within Metro Licensee Service Areas</u>	<p>Calling party to pay airtime, and If call is to another network, to pay an additional charge specified in the Telecommunication Interconnection (Charges and Revenue Sharing – First Amendment) Regulation 1999, by way of revenue share to the terminating cellular mobile network</p>
<u>(13) Tariffs for outgoing calls from Mobile to Mobile not included in item (12) above</u>	<p>Tariff to comprise airtime, plus A supplementary long distance charge based on distance; and If call is to another network, an additional charge specified in the Telecommunication Interconnection (Charges and Revenue Sharing – First Amendment) Regulation 1999, by way of revenue share to the terminating cellular mobile network.</p> <p>The Service Provider shall make the calling party aware of the quantum of the supplementary charge to be paid by the party, by making appropriate technical arrangements</p>

Notes:

1. Call-forwarding shall be treated as two calls, one from calling party to called party prior to call being forwarded, another from called party to the number where call is forwarded. The tariffs specified in this Order apply to the calling party in each of these two calls. In the case of the second call (i.e. the forwarded call), the called party that forwards the call shall be treated as the calling party for that call.
2. Roaming shall be treated as two calls, similar to call-forwarding. One, from calling party to the called party, prior to the transfer of the call (if any) to the called party in case of roaming. The other, in case of roaming, from the called number to the roaming party. The tariffs specified in this Order apply to the first portion of the call, with the second portion (i.e. forwarding the call to the roaming party) at present subject to forbearance.
3. This Order contains at Annex A, an Explanatory Memorandum - 5 that explains the reasons for this amendment to the Telecommunication Tariff Order 1999.

ANNEX A
EXPLANATORY MEMORANDUM - 5

1. The Authority's consultations leading to the Telecommunication Tariff Order (TTO) 1999 showed a widely held view that airtime charge for incoming calls is a strong disincentive that limited the use of the phone. In several instances, it was pointed out that cellular mobile subscribers were reluctant to give their numbers to others so as to avoid payment of airtime charge for incoming calls. This was also reportedly one of the reasons for the telephone directory for cellular mobile subscribers not being made available.
2. An important objective of the telecom tariff mechanism is to encourage usage, and a calling party pays (CPP) regime for cellular mobile (similar to that prevailing for basic services) would contribute in a major way towards this objective. Further, CPP would make the mobile cellular service more affordable to cellular mobile subscribers, including those receiving calls in rural areas. It also transfers the payment responsibility to the calling party, which is the party that needs to make the call in order to contact the called party. Greater usage will lead to consumer satisfaction in general and to greater economic and social interaction. Over time, this will lead to lower average costs and thus provide a basis for reducing tariffs for both cellular mobile and basic services. The Authority therefore decided to implement CPP for the cellular mobile sector.
3. In its TTO 1999, the Authority had stated that CPP regime would be implemented for the cellular mobile sector from 1 August, 1999. This decision was taken in consultation with various service providers, in particular the Department of Telecommunications (DOT). During the Authority's more recent consultations with the service providers directly involved in making the changes required for CPP, it has emerged that some additional time period would be needed to implement CPP.
4. A comprehensive change that addresses all the problems inherent in altering from the present system to CPP would require substantial technical up-gradation in several areas. At present, CPP is being introduced in a manner that deals with most aspects of the situation, while pointing a need to address certain issues in the future.
5. In the course of its consideration of the tariff regime under CPP, there was a major policy development that led to an ad interim change in the license fee payments by cellular service providers. Under the new regime, there would, in general, be a substantial reduction in the license fee payments by the service providers. The reduction in license fee, which is an element of cost, would improve the viability of the service providers. The Authority recognizes that there is still a measure of uncertainty about the application of the revenue share arrangement. However, the Authority is of the opinion that when there are substantial cost changes, the tariff should reflect these changes. For example, with the cost decrease encompassed in the migration to the new license fee regime, the benefit should be passed on also to the customer in the form of lower tariffs. Consequently, the Authority prepared a consultation paper (Consultation paper No. 99/4, dated 31 August, 1999) based on quick estimates, and proposed certain tariff reduction arising due to the changed license fee regime within a framework of CPP for cellular mobile.
6. An open-house consultation meeting was held in New Delhi on this issue on 7 September, 1999. The main

points that emerged from the meeting were that:

- the amount proposed as revenue for incoming call (Rs. 0.60 per minute on the basis of a three-minute call) was extremely low – a contrasting view was that of the basic service providers, namely that Rs. 0.60 per minute was too high an amount to give the cellular service providers;
- the adverse effect of the above low amount would be accentuated due to the call-back to cellular mobile that would arise on account of the relatively low tariff for basic to cellular mobile calls;
- metros and circles should be treated in a different manner;
- the proposed tariffs would adversely affect the possibility for financial closure (and financial viability) for cellular mobile service providers, especially in view of the existing deficits incurred by the service providers;
- in this context, internal rates of return should not be emphasised, instead the cash-flow position should be emphasised;
- the increase in CAPEX would be much more than is taken into account by the Consultation Paper;
- there is a need for cellular mobile to obtain an ad interim revenue share from long distance tariffs;
- tariffs should not be changed before the revised license fee regime is actually implemented on a permanent basis;
- the tariff regime should have stability and should not be frequently altered;
- the CPP regime would involve additional expenditure by the basic service providers.

7. Those making a claim that their financial position would be adversely affected by the proposed tariffs were asked by TRAI to present data to support their claims. Some of the data that has been provided to TRAI suggests that the analysis (and data) were not appropriate to consider the impact of the proposed tariffs. The TRAI will continue its examination of the corrected information that will be provided to it in this regard. Meanwhile, on a purely ad interim basis, the TRAI is notifying certain tariff reductions together with the introduction of the CPP regime for cellular mobile. This notification is made for the following reasons:

- customers should obtain the benefits of a reduction in costs in the form of reduced tariffs;
- to the extent that this reduction is delayed, the reduction in cost under a new license fee regime would have occurred for a significant time period and passing the benefits to customers for the interim duration would be a difficult task;
- a case of providing customers with the benefits of a substantial cost reduction is even stronger when one considers the actual tariffs packages (with low tariffs) that are actually applied in several places;
- further, the present exercise has to be seen together with two other initiatives of the TRAI, one on cost based access/usage charge regime, and the other on the recommendation for the percentage of revenue that should be charged as license fee;
- these initiatives are important because the viability exercise involves both tariffs as well as the percentage of revenue to be charged as license fee, and because the access/usage charge regime addresses the issue of a low incoming revenue for cellular mobile;
- the revised tariff regime would also incorporate the effect of the levy to be proposed for funding Universal Service Obligations.

8. The main feature of a CPP regime for the cellular mobile subscriber is that no payment is made for incoming calls. The cellular mobile tariff as presently determined by the Authority has a charge for incoming calls. The overall tariff structure in the Telecommunication Tariff Order 1999, including the charge for incoming calls, was determined by the Authority to cover the costs incurred in providing the cellular mobile service. As explained in the second Consultation Paper on tariffs (Consultation Paper No. 98/3, dated 9 September, 1999), these costs were for metro service areas because of the difficulty in linking cellular mobile tariffs to costs in circle service areas. Any removal of the charge for incoming calls under CPP would result in a reduction in revenue that is available to cover the costs for cellular mobile service providers. While the introduction of CPP would give rise to an increase in usage and subscriber base for cellular mobile, the incremental revenue provided by this usage and subscriber base is unlikely to fully compensate the reduction in revenue due to the removal of the incoming call charge. Hence, some revenue to cover the costs involved has to be provided from another source in order to help the cellular mobile service provider to remain viable. As mentioned above, this revenue would not be additional revenue for cellular mobile but a partial substitute for the revenue that is presently provided by incoming call charge for cellular mobile.

9. Irrespective of the revenue aspect mentioned above, each incoming call to cellular mobile should be provided with revenues to the terminating network because of the task of completing the call by the network, and because without such a revenue there will not be any incentive for maintaining the network. Further, in general, such a cost should cover costs in a situation where there is a strong likelihood of call-back. This revenue for incoming calls is funded mainly from calls from basic service to cellular mobile service.

10. In several countries, as shown in the second Consultation Paper on tariffs, a call from basic service to cellular mobile costs more than a similar call to basic service subscriber. A call to cellular mobile provides a premium service because the called party can be contacted in situations not ordinarily possible with a fixed line services. Hence, it is justifiable to ask the calling party to pay an additional amount for utilizing this premium service (which is not, for instance, a service that is to be provided under a Universal Service Obligation). In addition, as mentioned above, this call charge has also to fund the payment of incoming calls made to cellular mobile.

11. The second Consultation Paper on tariffs had proposed a revenue sharing arrangement under which calls from basic service subscriber to cellular mobile were to be charged at Rs. 3.90 per minute, and that 85 per cent of this amount be passed on to the cellular mobile service provider.

12. The Authority has received several comments on its proposals regarding CPP. In general, the introduction of CPP is supported by all concerned. However, some state that a tariff of Rs. 3.90 per minute (or of Rs. 3.60 per minute subsequent to the TTO 1999) is too high an amount and will discourage calls being made from basic service subscriber to cellular mobile subscriber. Further, while basic service providers want to retain 40 to 50 per cent of the amount charged per minute for such calls, cellular mobile service providers want a share larger than 85 per cent. Both support their claims on the grounds that their revenues would decline in the alternative scenario. In this regard, basic service providers have also pointed out that they provide a number of calls free of charge, or at tariff rates below the upper limit of Rs. 1.20 per metered call. It should be recalled that the Department of Telecommunications had emphasized during the tariff re-balancing exercise that their revenues should not decline substantially if national telecom development and objectives of attaining the desired improvement in teledensity have to be achieved.

13. These diverse, and conflicting, objectives emphasised by different service providers have to be considered together with the objective that there should not be an undue burden on customers. In this regard, it is important to bear in mind that cellular mobile service facilitates others to get in touch with the cellular mobile subscriber (i.e. these are premium calls). The CPP regime makes it more likely for the cellular mobile subscriber to respond to the calls of those who seek that subscriber on the cellular mobile phone.

14. The statement that the CPP regime will imply lower cost burden for the users of cellular mobile is self-evident. Under the CPP regime, tariffs specified by the Authority for a call from basic service subscriber to cellular mobile balance two important objectives: keeping low the charge for this premium call by basic service subscribers, while providing a reasonable amount of revenue to cellular mobile network to partially substitute for the revenue loss on account of removing the incoming call charge for cellular mobile, and to pay for utilizing the network.

15. The revenue share arrangement specified here is an ad interim arrangement, and is aimed at providing an amount for the usage of the cellular mobile network. This will be replaced later by a cost-based usage charge that will be derived by the Authority. The ad interim revenue share provides some payment for usage as a termination charge. In this Order, this revenue provided to the terminating cellular network for incoming calls is termed as "mobile termination charge" (MTC).

16. CPP for cellular mobile is being implemented in a manner that the terminating cellular mobile network receives MTC for all incoming calls, whether from basic service subscriber or from cellular mobile, except for calls made within its own network (i.e. intra-network calls). The payment of MTC would be made even for STD or ISD calls (for further detail, see the Telecommunication Interconnection (Charges and Revenue Sharing – First Amendment) Regulation 1999).

17. Further, the same MTC is specified irrespective of the nature of the call, e.g. local, STD, ISD, because that obviates the need to distinguish between these calls being handed over by basic service network to

cellular mobile in implementing CPP for cellular mobile. This implies a change in the charges for STD calls made to cellular mobile from both basic as well as cellular mobile subscribers.

18. Bearing the various objectives in mind, the Authority has decided that the initial amount paid for calls from basic to cellular mobile should be a minimum charge that provides some reasonable amount of revenue to be shared among the service providers involved. This requires changing the pulse rate in such a manner that the revenue considerations for both service providers are kept in mind, and the customer does not bear an undue burden. The Authority has done this by providing a double pulse at answer for calls from basic service subscriber to cellular mobile, plus providing for a long pulse duration that would in effect make it possible to have a lower tariff than that proposed in the second Consultation Paper on tariff. Thus, for a local call from basic service subscriber to cellular mobile, the customer has a longer time period to converse after paying the initial charge, and the amount charged per minute to the customer decreases for a call longer than one minute.

19. In its recent Consultation Paper of 31 August, 1999, the Authority had proposed a pulse rate of 120 seconds and a payment of Rs. 0.60 per pulse to the terminating cellular mobile network for incoming calls. This was with a view to not much disturb the existing situation for basic service subscribers, and because the forthcoming access/usage charge regime would address the charge for incoming calls on a more comprehensive basis. That exercise will also address certain other aspects such as revenue share for cellular mobile in long distance call revenues.

20. Inputs provided during consultations suggest to the Authority that increase in call-back is a strong possibility even during the interim period for which the present tariff regime is being implemented. Hence, the burden of keeping a low charge of Rs. 0.60 per pulse would get exacerbated, and needs to be addressed. This implies a higher tariff for calls from basic to cellular mobile than was suggested in the Consultation Paper of 31 August, 1999. This would provide for higher revenue on incoming calls as well address, to some extent, the issue of call-back to cellular mobile. However, the Authority is still of the opinion that the revenues for incoming calls during the interim regime should not be as high as, for example, suggested in the second Consultation Paper on tariffs.

21. The Authority has decided that for local calls from basic service to cellular mobile, the call should have a double pulse on answer and a pulse rate of one minute. Hence, if a local call from basic network to cellular mobile is of duration less than 60 seconds, the customer pays for two metered calls; the actual amount paid by the customer depends on the call charge that applies to the metered calls. For a call of 60 seconds, the payment is for three metered calls. The subsequent 60 seconds are charged only one metered call. For illustration, if a charge of Rs. 0.80, or Re. 1, or Rs. 1.20 per metered call is applied, a basic service subscriber making a local call to cellular mobile will pay as follows:

Duration of the local call from basic service to cellular mobile	Amount charged if Rs. 0.80 charged per metered call	Amount charged if Re. 1 charged per metered call	Amount charged if Rs. 1.20 charged per metered call
Up to 60 seconds	Rs. 1.60	Rs. 2.00	Rs. 2.40
60 seconds or more, but less than 2 minutes	Rs. 2.40	Rs. 3.00	Rs. 3.60
2 minutes or more, but less than 3 minutes	Rs. 3.20	Rs. 4.00	Rs. 4.80

22. The basic service calling party making a local call is not to pay any additional charge other than that mentioned above, calculated on the basis of a double pulse at the beginning of the call and a 60 second pulse thereafter.

23. The Authority has decided that the terminating cellular mobile network be given Rs. 0.80 per pulse (or metered call unit). Given that a constant amount of MTC per unit time has to be paid to the terminating cellular mobile network, irrespective of the source of the call that transits through (or originates in) a basic service network, the above Table shows that the payment of MTC by the originating service provider is not strictly linked to the tariffs paid by the customer for calls made to cellular mobile. Further, the above-mentioned charges are comprehensive charges for local calls from basic service subscriber to cellular mobile that transit through the basic service network, and the calling party should not be charged any additional amount for payment of usage charge to the transit network.
24. For inter-network cellular mobile to cellular mobile calls, including those which transit through the basic service network, an MTC amount is specified as part of the tariff, in addition to the airtime (or other supplementary) charges specified in Schedule II.
25. The Authority has specified that the first pulse for an outgoing call from cellular mobile should be 60 seconds, followed thereafter by pulse rates of 30 seconds. This will provide some additional revenue as well as discourage attempts to generate call-back to cellular mobile.
26. In any event, the Authority will monitor the situation and address it, if required, in the course of a tariff review next year. The review would also take account any important change in the policy framework for cellular mobile, including those relating to license fee payments. In this regard, it is worth recalling the Authority's statement in paragraph 147 of the Telecommunication Tariff Order (TTO) 1999 that: "*In view of the circumstances surrounding the cellular industry at present, the Authority will review and modify notified tariffs, should that become necessary as a result of policy changes*" (emphasis added).
27. Similar to local calls, a double pulse is specified at the beginning of a STD call. Subsequently, pulse rates are derived so that the amount charged in general provides for the payment of MTC to the terminating cellular mobile network. For basic service subscribers, these pulse rates are specified in the changes made to Schedule I of the TTO 1999, together with an illustration of the charges for STD calls to cellular mobile (similar to the amounts specified in the TTO 1999 for a STD call made to basic service subscriber). For STD calls other than to cellular mobile, the charges remain as they were specified under TTO 1999.
28. At present, under the standard tariff package, the calling party making a STD call from cellular mobile to cellular mobile that transits through basic network (i.e. Department of Telecommunications network) is charged airtime and the STD charge for an equivalent call by the basic service subscriber. The same system would continue with the introduction of CPP, but the applicable pulse rates would be different from those applicable to STD calls to basic service subscriber in order to provide revenues for payment of MTC. The same also applies for calls from basic service to cellular mobile, i.e. the pulse rates would imply a higher tariff in order to make payments of MTC. Details of the MTC charge have been specified in the Telecommunication Interconnection (Charges and Revenue Sharing – First Amendment) Regulation 1999.
29. In its Consultation Paper of 31 August, 1999 the Authority had raised the question of whether metro and circles service areas should be treated differently for the purpose of cellular mobile tariffs. Though there was no unanimity in the answers provided, there was a strong body of opinion that there is a basis for differential treatment through tariff and/or the license fee regime. The Authority had noted the cost difference in circles even in its second Consultation Paper on tariffs. The Telecommunication Tariff Order 1999 attempts to provide greater tariff flexibility to circle service area with respect to long distance calls. Further consideration of the issue suggests that not only are the costs higher in circles, the scope of service in circles is different from that in metros given the larger area of coverage by circles. The Authority is of the opinion that circles and metros need to be treated in a different manner for tariffs. Thus, the present Order marks an important change in the tariff regime that was specified in the Telecommunication Tariff Order 1999, dated 9 March 1999, by specifying different tariffs for metros and circles. In the standard tariff package specified by this Order, both rental and airtime charge for outgoing calls for circles are higher than for metro service area. Since there is a limit on the extent to which tariffs could be raised to cover costs in circles, this differential treatment is also indicative of a possibility of the Authority differentiating between circles and metros in the recommendations for license fee levied in terms of percentage of revenues. Such recommendations will be based on more detailed analysis of the financial situation of cellular service providers, including an assessment of cash flows.

30. At present, CPP cannot be implemented for calls made from local call PCOs and Coin Collection Boxes. This is a gap that would need to be addressed in the future. In this regard it should be noted that STD/ISD PCO booths and manually operated trunk call service will permit calls to cellular mobile under a CPP regime.
31. The situations regarding roaming and call forwarding have to be treated as comprising two calls. For example, roaming should be conceptualized as two calls, one to the home of the roamer and the other from home to another place when the roamer is not home. The first call should be treated as any other call, and the second portion of the call should be treated as the roaming portion. The latter is subject to forbearance, while tariffs have been specified for the former call (i.e. the first portion of the call).
32. Likewise, call forwarding should be treated as two calls, one from the calling party to the called party prior to forwarding, and second from called party prior to forwarding to the party to whom the call has been forwarded. Each of these two call segments should be treated as two separate calls. The calling party for the first segment is the initial calling party, and for the second segment the calling party is the party that has forwarded the call.
33. An important point regarding CPP is that customers may want to have a facility to dynamically lock calls to cellular mobile, and to obtain detailed bills to ensure that they have not been incorrectly charged. The Authority has decided that all basic service subscribers should initially be provided the facility of calling cellular mobile. The subscribers should, however, have the freedom to decide whether they want the facility to bar their calls from basic network to cellular network. At the same time, customers who wish to be connected to the cellular network should not be forced to obtain that connection in a manner that creates an additional burden on them