

TELECOM REGULATORY AUTHORITY OF INDIA

GIST OF COMMENTS RECEIVED FROM STAKEHOLDERS

ON

CONSULTATION PAPER
(NO.16/2006 ISSUED ON 24th NOVEMBER, 2006)

ON

REVIEW OF CEILING TARIFFS FOR ROAMING SERVICES

NEW DELHI

30th DECEMBER, 2006

TRAI

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INDEX OF STAKEHOLDERS WHO HAVE FURNISHED COMMENTS ON THE
CONSULTATION PAPER

<u>S.No.</u>	<u>Name</u>	<u>Status</u>
1	Shri D.S. Madhusudhan	Individual
2	Shri Deependra Verma	Individual
3	Cellular Phone Users Association of India (CUAI)	Consumer Organization
4	VOICE	Consumer Organization
5	Bharti Airtel Ltd.	Service Provider
6	BSNL	Service Provider
7	Reliance	Service Provider
8	BPL Mobile Communications Ltd	Service Provider
9	Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd	Service Provider
10	Association of Unified Telecom Service Providers of India (AUSPI)	Association
11	Cellular Operators Association of India	Association

Issue for consultation

- I. Should the Authority fix an usage based composite ceiling tariffs for national roaming services separately in respect of outgoing call – local, inter-circle and for incoming calls – taking into account the incremental roaming cost (as explained in Chapter 4 of the Consultation Paper) and the Interconnection Usage Charges/ADC involved in the provision of roaming services?

Comments Received

1. All incoming services should be made free. Only the outgoing calls/SMS should be made chargeable. (Shri D.S.Madhusudhan - Individual)
2. A As pointed by Authority, there is coordinated pricing among GSM operators. Even earlier also, Authority has to remind operators of Rs.3+15% ceiling in Airtime component.
B. Charging for incoming as well as outgoing calls while roaming is “distance based”. While for most of operators in most of tariff plans the charging for inter-circle (>50 km) calls is distance neutral. This results in complexity of understanding of roaming tariffs. While inter-circle charging for Home network is distance neutral, same is not true for roaming in Operators Coordinated pricing.
C. While there has been drop in carriage charges, ADC charges and other costs, the same have been not reflected in roaming tariffs.
D. Following Example of an operator’s website shows the complexity involved.

Roaming > Postpaid > National roaming > Mumbai

State : Delhi

	Airtel	Hutch	IDEA
Postpaid			
Incoming Calls (Rs. / min) from Mumbai			
Roaming at location less than 200 kms	3.54	3.54	3.54
Roaming at location Between 201-500 kms	3.79	3.79	3.79
Roaming at location more than 500 kms	3.99	3.99	3.99
Outgoing Calls (Rs. / min)			

URL: http://hutch.in/roaming/po_natroam_mum.asp?lstState=6

The various issues involved are.

How a customer will come to know if he roaming at distance <200, 201-500km or >500 Km.

And this becomes more important especially when distance is calculated between L1 switches of the operators. And consumers have not been informed well about this.

Also L1 switch location for different operators may be different. For e.g. it is Pune Vs Nagpur for different operators in Maharashtra. And it is Agra Vs Meerut in UP (west Circle)

Incoming charge at location <200 Km appears to be irrelevant because according to my information no two L1 switches of different circles are at <200 km.

- E. Generally higher rentals result in lower call rates in home circle. Same is not true for Roaming rates except for few new plans which are for on-net roaming. There is sharp difference between call charge when roaming on own network Vs Other network (e.g. 1Rs/Min Vs 3.99Rs/Min+15% Surcharge)

So, Authority should fix Ceiling Roaming tariff with rentals which are easy to understand. There should not be any separate Roaming rental. Roaming Rental, if any, should be included in base rental. **(Shri Deependra Verma - Individual)**

3. Yes, ceiling tariffs must be prescribed by the TRAI. TRAI should define the ceiling tariff for roaming services as follows:

S.No.	Component	Tariff as on Date
1.	Carriage Cost	As per latest IUC Regulation
2.	Termination	As per latest IUC Regulation
3.	ADC	As per latest IUC Regulation
4.	Incremental Cost	15% fixed
	ROMING CEILING TARIFF	Total of S.No. 1+2+3+15%

Principle “Consumers should not be expected to pay more than the cost incurred by operators.” The methodology may only be resorted to only if the roaming calls are to be charged. There is ample justification to make incoming free while roaming. **(CUAI)**

4. Yes. **(VOICE)**
5. a. The customer tariffs are already lowest in the world and consistently coming down, which clearly indicate that the Indian Telecom Market is mature and guided by the market forces.
- b. On crucial financial parameters, the Indian Telecom Sector is lagging behind in comparison to emerging telecom markets whereas the huge investment is required in the coming years
- c. The principle of differential charging as well as cross-subsidization exists in each industry, including public utilities and therefore, the Hon'ble Authority should take into account the holistic picture of the overall tariff, not any particular segment, which represents a very small fraction of the overall usage.
- d. The approach of “forbearance” has been successful in the Indian telecom market, which clearly evident from this fact that since then, the customer tariffs have shown a consistently declining trend to the extent of 70%. This clearly demonstrates that the market forces are sufficient to ensure competition.

We believe that in line with the tariff for other services offered by the cellular mobile/UASL operators to their customers, the tariffs for the roaming services should be “forborne”. Let the market forces determine the tariff for different primary and value added services. Any attempt to regulate the tariffs of a small fraction of the overall usage, would force the operators to revisit their customer tariffs, at the higher side, which will affect the masses. **(Bharti Airtel Ltd)**

6. No. The Authority has kept forbearance in mobile tariff keeping in mind that there is enough competition in the mobile service segment. Also it has been stated in para 3 letter that there is a competition in the mobile service as a whole and also in the roaming charge component of the tariff as the roaming charges vary from Rs. 1.50 to Rs. 3.00 per minute. In view of this it is felt that

- there is no need to prescribe any other ceiling tariff for national roaming services and roaming tariff should be left to market forces. **(BSNL)**
7. No, the Authority should not fix a usage based composite ceiling tariffs for national roaming services. However we feel that the ceiling tariff on roaming air time charges can be reduced further to bring in greater affordability to subscribers, but the existing ceiling rental can be retained. The ceiling charges for roaming air time should be reduced to Rs 0.75 per minute. To this charge, the Interconnection Usage charge, (Carriage charges, termination charges and Access Deficit charges) along with surcharge element should be added to arrive at a composite roaming tariff for subscribers. **(Reliance Communications Ltd)**
 8. In line with the tariff for other services offered by the cellular mobile/UASL operators to their customers, the tariffs for the roaming services should be “forborne”. The market forces should be allowed to determine the tariff for different primary and value added services. Should the authority decide not to accept the forbearance approach, the prescribed composite ceiling tariffs for different types of calls originated and received by a roaming subscriber, will have to be frequently revised as and when any of the IUC charges, ADC, Revenue Share License Fee/Spectrum charges etc. are revised upwards or downwards. In case the Authority feels that it is absolutely necessary to prescribe the ceiling charges, the present system of fixing the ceiling charges for roaming service plus PSTN charges as applicable from time to time would be preferable. **(BPL Mobile Communications Ltd)**
 9. National roaming service tariffs are presently under forbearance with a ceiling as per 18th Amendment to TTO. India being a growing competitive telephony market, the fixation of tariffs including roaming tariffs should be left upon the market forces. However, for academic purpose, if the tariff for roaming is being worked out, then all the factors / cost elements should be taken into account. **(Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd)**
 10. Roaming tariff should be under forbearance and market forces should determine the tariff. For academic purpose, if the tariff is being worked out, then all the factors / cost elements should be taken into account. The methodology to be adopted by TRAI should be such which assures full cost recovery and not the incremental cost only. **(AUSPI)**

11. i. We would at the outset like to submit that the **various value added services** (which includes roaming service as well) **offered by the cellular mobile operators** to their customers **should be viewed in totality** as a group of services and not individually. The **tariff offered under different packages** available to the customers for different services like rental, local call charges, NLD, roaming and SMS charges etc. are decided **based on the overall ARPU under each tariff package**. The **charges for each individual service under a package are not necessarily cost based**. While some of the services may be offered below cost so as to attract the specific class of users, tariff for some of the other services under the package may be above cost.
- ii. The Authority is well aware that **overall tariff for mobile services in India are the lowest** in the world and **quite often basic voice** telephony services are **provided at below cost** tariffs. Under these circumstances, the **revenues from value added services are an important source for recovering costs**. It is thus most respectfully submitted that **in an environment wherein the Authority** has considered it appropriate to **“forbear” the tariffs** for mobile services; it will **not be desirable for the Authority to micro manage** the tariffs for individual products / services from the group of value added services offered by the operators.
- iii. Furthermore, the **practice of cross subsidy is a well recognized** feature in many sectors, where **premium services are priced above costs so that basic services can be offered at below cost prices**. Some examples include the **aviation industry, the railway sector, the medical sector, power sector, etc**
- iv. In light of the above, we believe that it would be **unfair** for the Authority **to only view the segment which is priced above cost** while **disregarding the large bulk of the service being provided at either below cost tariffs or providing negligible margins**. **Revenues from roaming** account for only around **10% of net service revenues**. It is thus submitted that **any exercise to review roaming tariffs** must be **done in conjunction with a review of the overall cost and tariff structure** of the industry.

- v. Furthermore, **even though the Authority has prescribed the ceiling of Rs. 3/- per minute (excluding PSTN /IUC charges as applicable), the tariffs offered by the operators are well below the ceiling prescribed by the Authority as can be seen from Table-2.**

TABLE-2
ROAMING TARIFFS WELL WITHIN CEILING LIMITS

Distance slabs	Roaming rates of GSM private operators*	PSTN charges	Roaming Airtime + Surcharge		Difference
			By GSM operator	Ceiling Rates	
Local	2.89	1	1.89	3.45	-45%
0-50 KMs	3.09	1	2.09	3.45	-39%
51 – 200 KMs	3.54	1	2.54	3.45	-26%
201 - 500 KMs	3.79	1	2.79	3.45	-19%
> 500 KMs	3.99	1	2.99	3.45	-13%

* As per TRAI's Consultation Paper

- vi. As is clear from the above, **based on the price sensitivities for different distance segments, the operators are charging well below the ceiling** prescribed by the Authority. As for the **monthly rental on roaming**, the Authority has itself noted that as **against a ceiling of Rs. 100 per month, the operators are generally charging Rs. 50 per month.**
- vii. **Further, the Authority has itself noted operators are offering much lower charges of Rs. 1/- per minute from their own subscribers** while roaming in their own network outside the Home network.
- viii. In this regard, it is respectfully submitted that the Authority **has erred in comparing the off net roaming tariffs of the GSM operators with the on net tariffs of BSNL and the CDMA operators.** As pointed out above, the Authority has itself noted that the operators are offering special tariff packages where roaming tariffs are much less at a uniform tariff at Re.1.00 per minute for all types of roaming calls, when subscribers roam on their own networks.

- ix. We **strongly object** to the **allegation that coordinated prices exist** in the market. **Similarity of tariffs does not tantamount to cartelisation.** We feel that the **allegation of cartelisation levelled against the GSM operators is un-called for and without any basis.**
- x. In this regard, it may be noted that the **local call charges of all operators too, are roughly equivalent.** It is submitted that **in an intensely competitive market, price differentiation can occur only if there is service differentiation.** If the service being offered is the same, it is but logical the price for these services will settle around a common benchmark.
- xi. The Authority is also aware that **roaming services are offered under bilateral agreements** between the two operators **on terms and conditions mutually agreed upon** and at **present, it is not mandatory for a service provider to offer roaming** facility to subscribers of other networks.
- xii. Under these circumstances we believe that **as long as the roaming facility is not mandatory** for every operator, it **may not be possible to increase the extent of competition** for roaming services.
- xiii. It is therefore submitted that **instead of reviewing the ceiling for roaming tariffs, it may be more desirable and effective were the Authority to further improve/enhance the competitiveness** of this segment and recommend that it be made **mandatory for all operators to provide roaming services** to subscribers of all other operators **on the basis of fair reciprocity.**
- xiv. It is submitted that the **directly attributable incremental cost approach** adopted by the Authority is **inappropriate for the calculation of roaming tariffs.** Notwithstanding the above, it is submitted that **this approach has lost its relevance** in an **overall scenario of forbearance and looking at the severe decline in tariffs and intense increase in competition in recent years.**

- xv. We also believe that **principle of cost basis enunciated** by the Authority in its proposed roaming tariff structure **cannot be applied in isolation to roaming services alone.**
- xvi. As regards the **Authority’s statement that “tariff fixation of the Authority for telecom services has always been based on the underlying cost in the provision of services”, it may be noted that forbearance in cellular tariffs was allowed since September 2002** and market forces were allowed to determine the tariff. An analysis of the tariff trends graph since the announcement of forbearance, has shown that **tariffs for mobile services have come down by over 70% since the introduction of forbearance, thus** clearly demonstrating that the market forces are sufficient to ensure competition.
- xvii. In respect of the **principle of “flexibility”** enunciated by the Authority, it is most **respectfully submitted that any micro management of tariffs will significantly reduce the flexibility** of operators in offering the overall most affordable services to the various customer segments.
- xviii. We would also like to **emphasize that the Roaming charges and charging pattern of operators is fully transparent** and can be checked by the subscriber from the **company’s websites and through the 24x7 customer care centres.** Moreover, **in the case of Post-Paid** connection, the **roaming charges** (outgoing / incoming) are **clearly mentioned for each call separately** in the subscriber’s monthly bill. Notwithstanding the above, if the Authority believes that more transparency can be achieved, **the Industry would welcome any further suggestions in this regard.**
- xix. We are **not in agreement with the Authority’s proposal to lay down a roaming tariff structure** as we strongly believe that **in this era of intense competition, it is neither necessary nor desirable for the Authority to micro manage tariffs.**
- xx. It is therefore most respectfully submitted that **in line with the tariff for other services** offered by the cellular mobile/UASL operators to their customers, the **tariffs for the roaming services**

should be “forborne”. Let the market forces determine the tariff for different primary and value added services.

- xxi. **In case the Authority feels that it is absolutely necessary to prescribe the ceiling charges, the present level of charges** for roaming service plus PSTN charges as applicable from time to time **should be allowed to continue.**

(COAI)

Issue for consultation

II. In the alternative, should the Authority adopt the ‘Home Pricing Rule’ for all types of calls while roaming as contained in para 5.11 of the Consultation Paper?

(a) If yes, give justification.

(b) If not, give reasons.

Comments Received

1. Generally higher rentals result in lower call rates in home circle. Same is not true for Roaming rates except for few new plans which are for on-net roaming. But for this to happen, there should be some reference rate for operators to arrive settlement. And operator can charge home tariff from subscriber. For incoming roaming call, it should be treated as if subscriber has called from home network to visited network. (Inter-circle mobile call charging) **(Shri Deependra Verma - Individual)**
2. We welcome this alternative proposal of TRAI, to adapt a “Home Pricing Rule”. This is an ideal situation and given the economies of scale and the multiple circle presence of nearly all operators, an economically viable proposition as well. We strongly recommend for this proposal. We are sure that this proposal shall meet a stiff resistance from telecom operators. **(CUAI)**
3. Not recommended. **(VOICE)**
4. No. The Authority should leave the roaming tariff to market forces. **(BSNL)**
5. (a) No, the home pricing rule for charging all roaming calls should not be adopted. (b) Flexibility should be allowed to the operators to decide charging mechanism since roaming involves additional cost on account of interconnection and network elements. However the tariff should be subject to reduced roaming tariff as stated in Ans 1 above. **(Reliance Communications Ltd)**
6. Home Pricing Rule can not be made mandatory for roaming service which is provided by an operator to the subscribers of another network. There are different tariff packages offered by operators to their customers having different charges for roaming and other services. It would be impossible to have a fair inter operator settlement if the HPR is made applicable. There are costs involved in providing seamless roaming services. **(BPL Mobile Communications Ltd)**

7. A complete forbearance in roaming tariffs should be made applicable by the Authority. The market has overwhelmingly responded in the current forbearance regime in subscriber's tariffs. Any rigid regulatory approach in fixing roaming tariffs at this juncture would lead to lessening the competitive innovation in tariff plans. **(Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd)**
8. No answer given to the specific question. General reply against Question No.1 refers. **(Bharti Airtel Ltd)**
9. The Authority should not adopt the 'Home Pricing Rule' for all types of calls while the subscriber is roaming, because this approach, if adopted, will lead to determination of roaming tariffs at below cost, which is against the established principle of cost based tariffs being followed by TRAI. The market has always welcomed forbearance in tariff, which led to increased competition in the market, and good dividend to the customers. It is therefore suggested that forbearance should continue. **(AUSPI)**
10. It is submitted that the **Home Pricing Rule cannot be made mandatory for roaming services provided by an operator to the subscribers of another network as there are costs involved in providing seamless roaming services.** There are different tariff packages offered by operators to their customers having different charges for roaming and other services and that it would be **impossible to have a fair inter operator settlement** if the HPR is made applicable. **(COAI)**

Issue for consultation

- III. Should there be any surcharge on national roaming tariffs in any form in the context of the discussions contained in para 5.12 of the Consultation Paper? If yes, please give justification.**

Comments Received

1. Yes, Surcharge should be revised from existing ceiling of 15%. Ideally it should be nil. **(Shri Deependra Verma)**
2. No, there is no case for any kind of surcharge on either voice calls or SMS. Any kind of surcharge especially in the name of billing and settlement must be scrapped forthwith. Providing services & billing procedures is an integral part of the duty of the operators and consumers must not be subjected to any such essential services being treated to “surcharges”. **(CUAI)**
3. No. **(VOICE)**
4. In view of the comments on issue no. 1 and 2, this issue does not need any specific reply. **(BSNL)**
5. The surcharge of 15% should be maintained to allow operators to offer affordable roaming tariffs at levels stated in Answer to question 1. **(Reliance Communications Ltd)**
6. The justification for prescribing 15% surcharge on the national roaming tariffs prescribed by the Authority in 2002 still exists. The surcharge was not prescribed only in lieu of the termination charges payable to the home network for roaming calls forwarded to other networks, but also to recover other costs. For example, roaming calls involve additional network elements/costs such as inter operator signalling, exchange of tap files and inter operator settlement cost. The additional costs are also involved in billing and bad debts. 15% surcharge should, therefore, continue to be applicable. **(BPL Mobile Communications Ltd)**
7. A complete forbearance should be given to operators in fixing roaming tariffs including surcharge. **(Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd)**
8. No answer given to the specific question. General reply against Question No.1 refers. **(Bharti Airtel Ltd)**

9. AUSPI recommends no surcharge as it has recommended forbearance in tariff. In the prevailing scenario, AUSPI feels that there should be no surcharge on national roaming tariffs in any form. **(AUSPI)**
10. It is first submitted that **if the roaming tariffs are forborne, then the discussion on the applicability of a surcharge is irrelevant. If however, the Authority decides to continue with the prescription of a ceiling tariff for roaming tariff, it is submitted that the justification for prescribing 15% surcharge on the national roaming tariffs prescribed by the Authority in 2002 still exists.** Provision of roaming services involves usage of additional network elements/costs such as inter operator signalling, exchange of tap files and inter operator settlement cost. The additional costs are also involved in billing and bad debts. Further, there is also a significant value addition for the customer who avails of these services. It is therefore most respectfully submitted that the **15% surcharge should continue to be applicable.** **(COAI)**

Issue for consultation

IV. Should the outgoing SMS while roaming attract any tariff other than the one applicable in the home network usage?

Comments Received

1. If there is any other overhead involved when compared to Home network SMS, then it should be charged but current tariff of RS3+15% surcharge is too high and away from cost based calculations when prevailing tariffs are FREE SMS, 10p, 20p,50p and99p. **(Shri Deependra Verma - Individual)**
2. No. The SMS while roaming must be charged on the same tariff as home circle tariff only. There is no case for any additional tariff to be charged from consumers. Our association vehemently opposes any such proposal. **(CUAI)**
3. No. **(VOICE)**
4. Yes. Since the SMS while roaming involves signaling network and the expense on clearing house service, both the SMS can be treated differently. At the same time additional work is done in the use of network elements on the lines of voice calls while roaming. **(BSNL)**
5. The delivery of SMS while roaming costs more for operators as the operators have to forward the SMS by querying the HLR & VLR of the home and visiting circles. Hence, the higher charges for SMS are applied when it is delivered while roaming. We feel that sms charges while roaming can be kept at Rs 1.50 per local sms, Rs 3 for national sms and Rs 7 for an international sms. These levels are being suggested keeping in mind the prevailing home circle sms rates. **(Reliance Communications Ltd)**
6. For all roaming calls and messages handled by the visiting network, exchange of the signalling information with the home network is involved in case of both prepaid and post paid subscribers. Since the visiting network is not realising any fixed charges like rental etc. from the temporary subscribers roaming in its network, the usage charges have necessarily to be higher as compared to the charges for the SMS originated in the home network. TRAI should refrain from micro managing tariffs. The roaming revenue forms very small part of the total revenue of an operator. SMS, MMS etc. are value added services for which the tariffs are 'forborne' by the Authority. We therefore,

- firmly believe that the Authority should not prescribe any specific charges or ceiling charges for SMS originated/received by a customer while roaming in another operator's network. **(BPL Mobile Communications Ltd)**
7. The prevalent competitive environment does not warrant tariff fixation for roaming including outgoing SMS etc. Tariff plans in general as well as in roaming are designed based on the customer's needs, choices, preferences and usages based market innovations. Also, regulating tariffs for SMS (while roaming) is indeed a deviation from the present regulatory approach of TRAI i.e. deregulation (forbearance). **(Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd)**
 8. No answer given to the specific question. General reply against Question No.1 refers. **(Bharti Airtel Ltd)**
 9. All roaming tariffs including outgoing SMS while subscriber is on national roaming should be under forbearance. **(AUSPI)**
 10. For all **roaming calls and messages handled by the visiting network**, exchange of the signalling information with the home network is involved in case of both prepaid and post paid subscribers. Since the **visiting network is not realising any fixed charges** like rental etc. from the temporary subscribers roaming in its network, the **usage charges have necessarily to be higher** as compared to the charges for the SMS originated in the home network. As mentioned above, it is neither necessary nor desirable for **the Authority to micro manage tariffs in this era of intense competition**. The **roaming revenue forms very small part of the total revenue** of an operator. SMS, MMS etc. are value added services for which the tariffs are 'forborne' by the Authority. We therefore, firmly believe that the Authority should not prescribe any specific charges or ceiling charges for SMS originated/received by a customer while roaming in another operator's network. **(COAI)**

Issue for consultation

- V. What are the factors that limit competition in roaming services market in India and suggest measures for facilitating enhanced competition in that space?**

Comments Received

1. (a) Coordinated pricing by operators, (b) No revision for Ceiling tariffs by authority since 2002 and many of the tariff items, cost to provide services by operators have declined sharply since then, (c) No initiative by any of the operators. Once one operator starts, others may follow as happened in other cases like life time validity, (d) With this review, I hope authority will come with reference tariff for operators while operators will be allowed to charge, up to max of home tariff from customers. **(Shri Deependra Verma - Individual)**
2. The key factors that limit the competition in roaming services are as follows:
 - a) Vertical Compartments across the Service Providers namely:
 - i) Technical Platform: GSM & CDMA - It is to be resolved on technical platform whether roaming is permissible between such networks.
 - ii) Sector Platform: Private GSM operators & Public Sector operators.
 - (1) Regulation plays a key role herein to promote or restrict competition.
 - (2) Technology permits roaming across various operators in this segment.
 - (3) It is a matter of fact all operators in the Private sector have roaming agreements between themselves.
 - (4) No subscriber of private operators is permitted roaming on Public Sector networks as BSNL/MTNL, as there is no agreement between the two sides.
 - (5) It is submitted that “Roaming” services must be viewed as interconnect between operators wherein the original subscriber of the “Home” operator becomes “dummy” subscriber of the “roam” partner. If this is treated as an interconnect issue, the same is mandatory for both

parties, but if the same is left to market forces, the line of territory between the public and private sector is clearly visible and the resultant casualty is consumer, who inspite of there being a network and service cannot use the same, despite his willingness to pay; just because there is no agreement between the home and roaming operators.

- (6) It is respectfully stated that roaming services for the past decade (now) have been wholly dominated by cartels and monopolistic practices, with greater consolidation taking place in the Indian Telecom Sector, the TRAI can directly intervene and make roam calls as the same as home calls (refer issue no 2 above) or reduce their tariffs to realistic levels.
- (7) The common man cannot be expected to pay tariff in the range of Rs.4 per minute for roaming calls in the name of Value added services.
- (8) With CAPEX concept being redefined, there is a pressing need to review the concept of VAS and premium services.
- (9) Roaming is a basic service and its premium pricing should essentially be done away with.
- (10)** The dream of “one India” as envisaged by the Government of the Day shall only be realized if there is one tariff for roaming i.e. the same as home tariff.

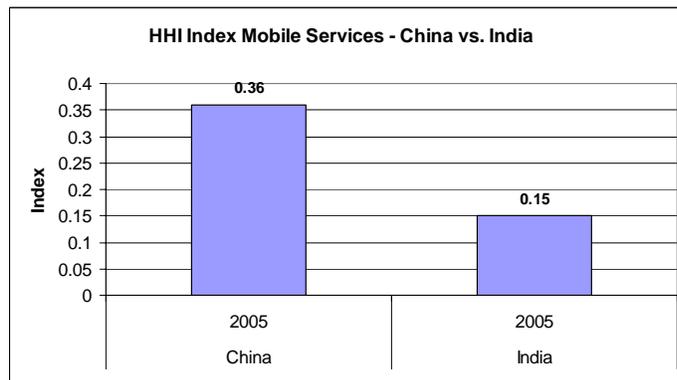
(CUAI)

3. Factors limiting competition are:

- (a) Cartelization amongst service providers,
- (b) absence of self regulation,
- (c) immense greed,
- (d) absence of number portability.

Review of ceiling will reduce consumers burden, even if operators fail to provide competition. **(VOICE)**

4. a. The **cellular mobile** service industry is the **most competitive segment** of Indian Telecom Industry with each service area having at **least 5-6 mobile operators**. As a result of this intensely competitive environment, **each mobile operator is attempting to maintain or enhance its market share** through **designing innovative tariffs**. Moreover, the existing mobile operators are enhancing their footprint, which will further intensify the competition.
- b. The said fact has also been accepted by the Hon'ble Authority in its study paper on "Financial Analysis of Telecom Industry of China and India", wherein the Hon'ble Authority has clearly stated that the Indian Mobile Market is much more competitive when compared to Chinese mobile market. The same can be viewed in the following graph:-



HHI Index -1 = monopoly, 0 = pure competition and > .50 = moving towards competition

The above graph clearly indicates that the competitive scenario of Indian Telecom Market is very close to "pure competition".

- c. Furthermore, **even though the Hon'ble Authority has prescribed the ceiling of Rs. 3/- per minute** (excluding PSTN /IUC charges as applicable), the tariffs offered by the operators are well below the ceiling prescribed by the Authority. As for the **monthly rental on roaming**, the Hon'ble Authority has itself noted that as **against a ceiling of Rs. 100 per month**, the **operators are generally charging Rs. 50 per month**.
- d. It may be noted that the Authority **has erred in comparing the off net roaming tariffs of the GSM operators with the on net tariffs of BSNL and the CDMA operators**. In fact the Authority has itself noted

elsewhere in the paper that the operators are offering special tariff packages where roaming tariffs are much less at a uniform tariff at Re.1.00 per minute for all types of roaming calls, when subscribers roam on their own networks. For instance, in some of our tariffs, such as “India Roam” and “India Home”, we are offering **Rs. 1/- per minute**”, **to our subscribers**, who roam in our network.

Thus, we feel that there is enough competition in the Indian Telecom market including the Roaming segment. However, we would welcome any initiative of the Hon’ble Authority to this effect **(Bharti Airtel Ltd)**

5. It is stated that roaming service in itself is not a market, but is a mechanism to connect a customer when he is going out of his service area. The roaming tariff is not a significant parameter for the subscriber to decide as to which operator he should avail the service from. As for an ordinary subscriber the incidence of roaming is so low that roaming charges do not get reflected in his buying decision. On the other hand the high end customers, who use roaming extensively, make their decision mostly based on quality of service rather than tariff. Under these circumstances, a significant competition on roaming charges alone should not be expected. However, by adopting measures of increased customer awareness, benefits of ‘margin’, if any, available with the operators can be passed on to the customers. **(BSNL)**
6. The measures suggested in Answers 1 to 4, if implemented will bring in increased competition in roaming service market in India. We strongly urge the Authority to consider our viewpoints that aim at maximizing subscriber affordability as well as ensuring increased proliferation of mobile services across the country. **(Reliance Communications Ltd)**
7. It is not mandatory to provide roaming services by an operator to the subscribers of other operators. These services are offered under bilateral agreements between different operators. Moreover roaming facility is not generally possible between networks deploying different technologies such as GSM and CDMA. Therefore, in spite of a large number of mobile service providers in a service area, the competition for roaming services is still limited. In order to increase the extent of competition, Authority should make it mandatory for all service providers to offer roaming facility to subscribers of any other network either in the same service area or in another service area,

- especially BSNL and MTNL. This would not only increase the competition for inter-circle roaming but also enable the customers to use the service in certain areas of the same circle where its own service provider may not have rolled its network. Any disparities arising out of pure play and integrated players must be removed. **(BPL Mobile Communications Ltd)**
8. India is now a matured telecom market with the presence of suitable number of operators in a Service Area (both Government & Private). Therefore, the present market structure in India is fully competitive so far as the tariffs are concerned. The forbearance in tariffs has brought down the access tariffs in India to the lowest in the world. We, therefore, suggest that a complete forbearance be made in roaming tariffs. **(Tata Teleservices Ltd / Tata Teleservices (Maharashtra) Ltd)**
 9. Forbearance in tariff is recommended and it should be left to market forces. Incumbent (BSNL) should have roaming arrangements with private operators. **(AUSPI)**
 10. It is first submitted that **we do not agree that competition in roaming is limited, especially in the GSM segment. All the private operators** have entered into roaming agreements with each other to **offer roaming services to the visiting subscriber of another private network.** However, as mentioned above, at present, **it is not mandatory under the license for an operator to provide roaming** services to the subscribers of other operators. These services are **offered under bilateral agreements** between different operators. It is thus most respectfully submitted that **if the Authority is desirous of further enhancing the extent of competition,** it may **recommend to the Licensor to make it mandatory for all service providers to offer roaming facility** to subscribers of any other network. This would not only further increase the competition but also enable the customers to get the full advantages of choice and affordability. **(COAI)**