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Dear Sir,

This is regarding TRAI's Consultation Paper dated 17.12.2019 on "Tariff Issues of Telecom Services". Comments of NITI Aayog issued vide DO No. 01/20/2020-Tpt. on 28.02.2020 need to be viewed correctly in the context of the immediate crisis being faced by the telecom sector and the need for urgent measures to be taken.

2. We would like to strongly emphasise that floor prices are the need of the hour to enable continuation of a multiplicity of firms that is critical for healthy competition.

3. Given the heavy debt burden being faced by the sector and the recent fall in prices to unsustainable levels, there is no option available but to set floor prices. As we have mentioned in our comments, this may be reviewed for its impact on the market and a view may be taken on bringing back forbearance, once the sector fully revives. However, in the extraordinary circumstances that the sector is going through at present, we believe that floor prices are absolutely necessary to avert lasting damage to India's digital agenda and economic growth. TRAI has rightly pointed out that the sector's revenues have not kept pace with the increasing need for investment especially in the context of new technologies like 5G. It is in national interest to ensure that the sector is provided with much needed relief measures which would ultimately benefit consumers and the economy.

4. We do nevertheless agree with TRAI that floor pricing is not a long-term solution. There is also an inherent opportunity to seize the present situation to bring in far reaching reforms in the sector which will provide lasting relief needed to create a healthy, vibrant and dynamic telecom sector vital for economic growth. The regulator should simultaneously look into these issues. We firmly believe that a strong, healthy, competitive telecom sector is the key to job creation and India's growth, progress and prosperity.

With regards,

Yours sincerely,

(Amitabh Kant)

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