

**Information note to the Press (Press Release No.17/2008/Eco)**

# Telecom Regulatory Authority of India

**For Immediate Release**

Tel.No.011-23230752

Fax:011-23236650

E-mail [mkannan05@gmail.com](mailto:mkannan05@gmail.com).

Website:www.trai.gov.in

**TRAI issues Consultation paper on “Issues arising out of Plethora of Tariff Offers in Access Service Provision”.**

New Delhi, 29<sup>th</sup> January 2008 – TRAI has today released a consultation paper on issues arising out of plethora of tariff offers in Access Service Provision.

The telecommunication Sector in India has become competitive in the post-liberalisation era, especially in the access segment constituting basic and cellular mobile services. The policy and frame work for tariff regulation has also been reviewed and suitably modified by the Authority from time to time keeping pace with the emerging competitive market and also to foster it further. The tariff regulation currently stands at a point where tariffs are forborne except for fixed rural line services, national roaming in mobile service and Leased Circuits. The service providers have been given the flexibility to report their tariff plans to the Authority within 7 days from the date of implementation after conducting a self-check with the relevant regulatory principles which inter-alia include tariffs being IUC compliant, non-predatory and non-discriminatory. The Authority has also placed a cap of 25 on the number of plans that can be offered

by an access provider in each licensed service area. This includes both post paid and pre paid tariff plans.

However, the competitive activity has also resulted in a large number of tariff offers being made by the service providers in order to acquire and retain their subscribers. Transparency in service provision is and has been one prime issue of concern for the Authority. The Authority had visited this issue in the year 2004 by initiating a consultation process by issuing a Paper titled “Limiting the number of tariff plans offered by the access providers”. That process resulted in issue of 31<sup>st</sup> Amendment to Telecommunication Tariff Order (TTO) in July 2004, which contained the landmark provision protecting subscriber from any tariff hike for a minimum period of 6 months from the date of enrollment of the subscriber to that tariff plan. The Authority has issued several regulatory mandates after that also in order to enhance transparency in provision of service and to protect the interests of the consumers of telecommunications services in the country. The Consultation Paper provides the details of such consumer friendly initiatives of the Authority and some of the important decisions/mandates of the Authority are:

a) Any tariff plan presented, marketed or offered as having long term or lifetime or unlimited validity in lieu of an upfront payment shall continue to be available to the subscriber for the duration of the period as prescribed in the plan and in the case of lifetime or unlimited validity plans, as long as the Service Provider is permitted to provide such telecom service under the current license or renewed license. No item of tariff in the tariff plan can be increased by the access service provider during the relevant validity period. However, the service provider is free to reduce tariffs at any time.

b) Tariff Plans with misleading titles prohibited. No tariff plan shall be offered, presented, marketed or advertised in a manner that is likely to mislead the subscribers.

c) No chargeable Value Added Services shall be provided to a customer without his explicit consent. Any Value Added Services which was earlier been provided free of charge shall not be made chargeable without the explicit.

d) Publication/advertisement of tariff for consumer information shall contain minimum essential information and websites of the service provider shall contain complete details of the tariff plans as well as financial implications for various usage slabs.

e) Access service providers to inform the customer in writing, within a week of activation of service, the complete details of his tariff plan. In addition, as and when there are any changes in any aspect/item of tariff in the chosen package, the operator shall intimate, in writing, such changes to those subscribers whose tariff packages undergo a change.

The Authority has been watching the developments in the market closely and also analyzing the feedback from the consumers on the market activities which has further intensified with several new licensees starting their operations and the existing operators expanding their roll out. Despite the various measures taken by the Authority to enhance transparency in the matter of service provision and to protect the interest of the consumers, there is a growing feeling among the customers that the various offers being made by the access service providers are not transparent and thus are not consumer friendly. The Authority continues to receive complaints from consumers and consumer organizations highlighting inter-alia issues affecting transparency in the tariff offers of access service providers. Considering the sensitivity of the matter, the Authority feels it desirable to have a re-look at the regulatory framework governing tariff offers by following the well established procedure of having an open consultation with all the stakeholders.

This consultation paper discusses the various issues arising out of the plethora of tariff offers in the access segment and the need to address the consumer issues arising out of it. The Authority is inviting the views and suggestions of the stakeholders to protect the interests of the consumers without curtailing the flexibility of the operators in offering the tariffs. The important points under consideration includes whether there is a need to further reduce the limit on number of tariffs plans on offer from the existing 25, the need to regulate the number and structure of tariffs offered as add-on packs/Value Added Service/Promotional tariffs, and what further measures should be advisable to improve the transparency in tariff offers. The responses are invited by 28<sup>th</sup> February 2008. The full text of the paper is available on TRAI's Web Site ([www.traigov.in](http://www.traigov.in))

---

Contact Details in case of any clarifications:

Shri M. Kannan,  
Advisor (Economic),  
Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg, New Delhi-110002.  
Telephone 011-23230752, Fax number:011-23236650  
E-mail mkannan05@gmail.com.

Authorised to issue

**(M. Kannan)**  
**Advisor (Eco)**