

Telecom Regulatory Authority of India Notification

New Delhi, the 14th march 2002

No.312-7 /2001-TRAI (Econ.)

In exercise of the powers conferred upon it under sub-section (2) of the section 11 of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, the Telecom Regulatory Authority of India (TRAI) hereby makes the following order by an amendment to the Telecommunication Tariff Order, 1999 by notification in the Official Gazette, in respect of tariffs at which Telecommunication services within India and outside India shall be provided:

THE TELECOMMUNICATION TARIFF (TWENTIETH AMENDMENT) ORDER, 2002 (4 of 2002)

Section I

1. Short title, extent and commencement:

- (i) This Order shall be called "The Telecommunication Tariff (Twentieth Amendment) Order, 2002".
- (ii) This Order shall come into force from the date of its publication in the Official Gazette.

Section II (Tariff)

2. The tariffs / pulse rates / charges specified for the period up to 31st March, 2002 under existing clauses 5.a, 5.b and 5.c of item 5, clauses 6.a, 6.b and 6.c of item 6, clauses 8.a and 8.b of item 8, clauses 10.a and 10.b of item 10, clauses 12.a, 12.a.i, 12.a.ii, 12.a.iii, 12.b, 12.b.i, 12.b.ii, and 12.b.iii of item 12 of Schedule I pertaining to Basic Services (Other than ISDN) in the Telecommunication Tariff Order, 1999 shall be deleted and substituted to read as under.

- i) the existing clauses 5.a, 5.b & 5.c of item 5 of Schedule I are deleted and substituted as 5.a and 5.b as under

5. Monthly Rentals for Rural Subscribers

(5.a) Rural Non-Commercial User Subscribers	Exchange System Capacity	From 1, April 2002
	(Number of Lines)	(Rs)
	-----	-----
	Up to 999	70
	1,000 to 29,999	120
	30,000 to 99,999	180
	1 lakh and above	250
(5.b) Rural Commercial User Subscribers	Exchange System Capacity	From 1, April 2002
	(Number of Lines)	(Rs)
	-----	-----
	Up to 999	120
	1,000 to 29,999	160
	30,000 to 99,999	220
	1 lakh and above	310

Notes to Item 5 are deleted and substituted as under:

(1) The service provider will identify the consumers who are to be categorised as commercial user subscribers for applicability of tariff rates specified for such subscribers. Each subscriber will be given a notice of atleast 14 days prior to making effective such tariff.

(2) Rural subscribers are those who reside in rural areas. For the purpose of this schedule, the definition of rural area shall be the same as used in conducting the Census of India 2001.

(3) "Commercial user subscribers" shall mean and include a person and/or an establishment carrying on any trade, business or profession or any work in connection with or incidental or ancillary thereto.

ii) the existing clauses 6.a, 6.b & 6.c of item 6 of Schedule I, are deleted and substituted as 6.a and 6.b as under

**6. Monthly Rentals
for Urban Subscribers**

(6.a) Urban Non-Commercial User Subscribers	Exchange System Capacity	From 1, April 2002
	(Number of Lines)	(Rs)
	-----	-----
	Up to 29,999	120
	30,000 to 99,999	180
	1 lakh and above	250

(6.b) Urban Commercial User Subscribers	Exchange System Capacity	From 1, April 2002
	(Number of Lines)	(Rs)
	Up to 29,999	160
	30,000 to 99,999	220
	1 lakh and above	310

Notes to Item 6 are deleted and substituted as under:

(1) The service provider will identify the consumers who are to be categorised as commercial user subscribers for applicability of tariff rates specified for such subscribers. Each subscriber will be given a notice of atleast 14 days prior to making effective such tariff.

(2) Urban subscribers are those who reside in urban areas. For the purpose of this schedule, the definition of urban area shall be the same as used in conducting the Census of India 2001

(3) "Commercial user subscribers" shall mean and include a person and/or an establishment carrying on any trade, business or profession or any work in connection with or incidental or ancillary thereto.

iii) the existing clauses 8.a and 8.b of item 8 of Schedule I (as amended by TTO (Fourteenth Amendment), 2001) are deleted and substituted as 8.a,8.b and 8.c as under

**8) Free Calls
(or uncharged calls) for
rural subscribers**

(8.a) Free calls for Non Commercial subscribers, except for Limited Mobility telephony service using wireless in local loop technology

75 metered calls per month of a billing cycle

(8.b) Free calls for Commercial Subscribers, except for Limited Mobility telephony service using wireless in local loop technology

45 metered calls per month of a billing cycle

(8.c) Free calls for Limited Mobility telephony service using wireless in local loop technology

No free calls shall be provided

Note:

The service provider will identify the consumers who are to be categorised as commercial user subscribers for applicability of tariff rates specified for such subscribers. Each subscriber will be given a notice of atleast 14 days prior to making effective such tariff.

iv) the existing clauses 10.a and 10.b of item 10 of Schedule I (as amended by TTO (Fourteenth Amendment), 2001), are deleted and substituted as 10.a, 10.b and 10.c as under

**(10) Free Calls
(or uncharged calls) for
urban subscribers**

(10.a) Free calls for Non Commercial Subscribers, except for Limited Mobility telephony service using wireless in local loop technology

60 metered calls per month of a billing cycle

(10.b) Free calls for Commercial Subscribers, except for Limited Mobility telephony service using wireless in local loop technology

30 metered calls per month of a billing cycle

No free calls shall be provided

(10.c) Free calls for Limited Mobility telephony service using wireless in local loop technology

The service provider will identify the consumers who are to be categorised as commercial user subscribers for applicability of tariff rates specified for such subscribers. Each subscriber will be given a notice of atleast 14 days prior to making effective such tariff.

Note:

v) the existing clauses 12.a, 12.a.i, 12.a.ii, 12.a.iii, 12.b, 12.b.i, 12.b.ii, and 12.b.iii of item 12 of Schedule I are deleted and substituted by 12.a, 12.a.i, 12.a.ii, 12.a.iii, 12.b, 12.b.i, 12.b.ii, and 12.b.iii as under

**(12) Pulse rates for
ceiling tariffs for
peak hours**

(12.a) Pulse rates for ceiling tariffs for subscriber trunk dialled long distance calls

Radial distance between any two exchanges or between any two charging centres	From 1, April 2002 (in seconds)
----- Up to 50 Kms	180.0
Above 50 Kms And up to 200 kms	18.0
Above 200 Kms And up to 500 kms	6.8
Above 500 Kms And up to 1000 kms	4.6

Above 1000 Kms 3.5

**These pulse rates imply
the following peak hour
ceiling tariffs for an STD
call of 1 minute duration.**

(12.a.i) At pulse charge of Rs.0.80 per metered call	Radial distance between any two exchanges or between any two charging centres	From 1, April 2002
		(In Seconds)
	-----	-----
	Up to 50 Kms	0.80
	Above 50 Kms And up to 200 kms	3.20
	Above 200 Kms And up to 500 kms	7.20
Above 500 Kms And up to 1000 kms	11.20	
Above 1000 Kms	14.40	

(12.a.ii) At pulse charge of Re.1.00 per metered call	Radial distance between any two exchanges or between any two charging centres	From 1, April 2002
		(In Seconds)
	-----	-----
	Up to 50 Kms	1.00
	Above 50 Kms And up to 200 kms	4.00
	Above 200 Kms And up to 500 kms	9.00
Above 500 Kms And up to 1000 kms	14.00	
Above 1000 Kms	18.00	

(12.a.iii) At pulse charge of Rs.1.20 per metered call	Radial distance between any two exchanges or between any two charging centres	From 1, April 2002
	-----	-----
	Up to 50 Kms	1.20
	Above 50 Kms And up to 200 kms	4.80
	Above 200 Kms And up to 500 kms	10.80
	Above 500 Kms And up to 1000 kms	16.80
	Above 1000 Kms	21.60

Notes of Item (12.a) are deleted and substituted as

The above tariffs are ceilings.

(12.b) Pulse rate for ceiling tariffs for International Subscriber Dialed Calls	Categorisation of various countries for the purpose of charging	From 1 April, 2002 (Seconds)
	-----	-----
	SAARC and other Neighbouring Countries	3.3
	Countries in Africa, Europe, Gulf, Asia and Oceania	2.3
	Countries in American Continent and Other Places In Western Hemisphere	1.8

These pulse rates imply the following peak hour ceiling tariffs for an ISD call of 1 minute duration.

(12.b.i) At pulse charge of Rs.0.80 per metered call	Call made to	From 1 April, 2002 (Rs.)
	-----	-----
	SAARC and other Neighbouring Countries	14.40
	Countries in Africa, Europe, Gulf, Asia and Oceania	21.60
	Countries in American Continent and Other Places In Western Hemisphere	27.20

(12.b.ii) At pulse charge of Re. 1.00 per metered call	Call made to	From
	-----	1 April, 2002
	SAARC and other Neighbouring Countries	(Rs.)

		18.00
	Countries in Africa, Europe, Gulf, Asia and Oceania	27.00
	Countries in American Continent and Other Places In Western Hemisphere	34.00

(12.b.iii) At pulse charge of Rs. 1.20 per metered call	Call made to	From
	-----	1 April, 2002
	SAARC and other Neighbouring Countries	(Rs.)

		21.60
	Countries in Africa, Europe, Gulf, Asia and Oceania	32.40
	Countries in American Continent and Other Places In Western Hemisphere	40.80

Note of Item (12.b) is deleted and substituted as

The above tariffs are ceilings.

vi) Explanatory Notes: In the Explanatory notes the items (a) to (n) are deleted and substituted by the following:

EXPLANATORY NOTES:

- | | |
|-------------------------------------|---|
| (a) Commercial user subscribers | A person and/or an establishment carrying on any trade, business or profession or any work in connection with or incidental or ancillary thereto. |
| (b) Non-Commercial user subscribers | A person and or an establishment other than that classified under (a) above. |
| (c) Rural Subscribers | Rural subscribers are those who reside in rural areas. For the purpose of this schedule, the definition of rural area shall be the same as used in conducting the Census of India 2001. |
| (d) Urban subscribers | Urban subscribers are those who reside in urban areas. For the purpose of this schedule, the definition of urban area shall be the same as used in conducting the Census of India 2001 |

- (e) Standard tariff package(s) A standard tariff package provides basic services at the tariffs specified in the schedule, and includes the specified number of free calls. Different rentals prescribed for the four categories of subscribers in (a) to (d) above imply that four different standard tariff packages are specified in this schedule.
- (f) Alternative tariff packages Tariff and free call allowance offered to subscribers by service providers, other than those offered in the standard tariff packages. In the "alternative tariff packages", items for which tariffs are specified in terms of a ceiling will continue to be subject to the specified ceiling. Items for which a specific amount of tariff is shown in this schedule e.g. rentals and call charges may have any alternative tariff in the "alternative tariff package". Similarly, alternative free call allowance may be provided in an "alternative tariff package".
- (g) Mandatory provision of standard packages Subscribers must have the option of getting basic services (other than ISDN) at tariffs and free call allowance specified in this schedule. In addition, the service provider may offer alternative tariff packages to the subscribers. The subscriber shall be free to choose among various tariffs and free call offers available.
- (h) Exchange system capacity Exchange capacity is the sum of the capacities of all exchanges within the Short Distance Charging Area (SDCA).
- (i) Short Distance Charging Area(SDCA) Short Distance Charging Area (SDCA) is the area which, with few exceptions, coincide with revenue Tehsil / Taluka.
- (j) Charging Centres Charging centres are classified as "Long Distance Charging Centre" (LDCC) and "Short Distance Charging Centre" (SDCC).
- (k) Long Distance Charging Centre (LDCC) Long Distance Charging Centre is a specified Trunk Exchange in a long distance charging area as presently defined for the purpose of charging of inter-circle long distance calls.
- (l) Short Distance Charging Centre (SDCC) Short Distance Charging Centre is a particular exchange in short distance charging area defined for the purpose of charging intra-circle long distance calls as well as inter-circle long distance calls between adjacent Long Distance Charging Areas.

Section III

This Order contains at Annex A an Explanatory Memorandum which explains the reasons for this amendment to the Telecommunication Tariff Order, 1999.

By Order,

(Dr. Harsha Vardhana Singh)
Secretary-cum-Principal Advisor

Annex - A

EXPLANATORY MEMORANDUM

Objective

1) The objective of this Amendment is to implement the Authority's decision on the third and final tranche of tariff re-balancing for monthly rentals and long distance call charges that were notified in The Telecommunication Tariff Order ("TTO") 1999. These tariffs shall be effective from 1st April 2002. The tariffs specified in this amendment would be valid till such time the Authority announces revision of tariffs based on overall tariff review which is presently underway, at a later date.

Tariffs for Subscriber Trunk Dialed (STD) calls or Domestic Long Distance Calls

2) Consequent upon the entry of the first new NLD operator in the long distance market there has been a sharp reduction in the STD tariffs in the country. The incumbent long distance operator, i.e. BSNL, has implemented tariffs for domestic long distance calls for different distance slabs which indicate a more than 50 percent decline in these tariffs. The new NLD operator has also implemented the same tariffs for inter-circle calls. These new tariffs for STD are considerably less than the STD tariffs which were envisaged for the third tranche in TTO, 1999. Therefore, the Authority's decision regarding the third tranche of STD tariffs for DLD is that these tariffs should be notified in this order as ceilings.

Tariffs for International Subscriber Dialed (ISD) calls

3) The Authority has noted that the ISD sector will be opened up to competition from April, 2002. The ISD tariffs are likely to decline as a consequence. These tariffs are also likely to decrease on account of competitive pressure on settlement rates and the use of VOIP services. The Authority has decided to notify the third tranche ISD tariffs as ceilings.

Monthly Rentals for Basic Services

4) In TTO 1999, the standard tariff package envisaged a decrease in STD/ISD call charges and an increase in rentals in order to re-balance tariffs and prepare the grounds for further opening up of the basic services market. The recent market driven decrease in STD call charges has more than achieved the decline in domestic long distance tariffs envisaged as part of the tariff re-balancing exercise of TTO, 1999. The Authority is of the opinion that the tariff rebalancing exercise should be such that it protects the interests of the ordinary/general subscribers, sustains demand and helps achieve higher teledensity. In a fresh exercise of tariff review which is presently underway, it is envisaged to make a detailed analysis of rentals for basic services keeping in mind the evolving market conditions and network expansion. Implementation of the present set of third tranche tariffs is, therefore, acceptance of the applicability of the earlier rebalancing exercise in the current context. The Authority has decided to implement the monthly rentals applicable as per the third tranche to commercial user subscribers. The monthly rentals for other subscribers will remain unchanged, i.e. the existing rental levels will continue for non-commercial subscribers. For operational simplicity, the Authority also decided that for the present the low user subscriber category and general user subscriber category should be combined into a single category of "non commercial user subscriber".

5. For the commercial user subscribers the Authority has decided to reduce the number of applicable free calls to 30 metered calls per month of the billing cycle for urban commercial subscribers and 45 metered calls per month of the billing cycle for rural commercial subscribers. The definition of commercial user subscriber is specified in the Schedule to this Amendment.

6. The service provider will identify the consumers who are to be categorised as commercial user subscribers for applicability of tariff rates specified for such subscribers. Each subscriber will be given a notice of atleast 14 days prior to making effective such tariff.

Other Issues

7. For the purpose of this amendment, urban/rural subscribers are those who reside in urban/rural areas as defined in Census 2001.

(Dr. Harsha Vardhana Singh)
Secretary-cum-Principal Advisor