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Ref: TUGI / 12/01 Dated 17th December 2012

Subject: TUGI response to Consultation Paper No. 15 /2012 on Review of The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006

Dear Sir,

This has reference to the abovementioned subject wherein we are pleased to submit our response to the consultation paper floated by the TRAI.

The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006 is a good regulation to protect the interest of the consumers, However its implementation is not as effective as international best practices, we are thankful to TRAI for revising the regulation as per its consultation process, we hereby would like to state our observation as per following ;

A, Non availability of standardized tools to the auditors: The audit practice is highly sophisticated and needs specialized tools and processes. The current process of checking the billing is totally left with the auditors, the empaneled audit companies are primary cost accounting and chartered accounting firms and the process of auditing is entirely at their discretion and they follow their own processes as per TRAI guidelines, but unfortunately it is grossly mistaken that the practices are effective auditing practices for telecom audit and the consumers have been taken for ride for last 6 years.

B, There is no metering done as per international best practice followed worldwide utilizing drive tests using specialized tools, without that checking of the bills cannot be relied upon and the reports generated leave room for authenticity..

The telecom service providers are aware of the same and very happy with current the practice as it does not in any way detect certain billing discrepancies and does not even scratch the surface of the huge discrepancies currently being part of the bills generated.

It is our humble submission that TRAI should acquire such billing and metering tools which cost in millions of dollars or hire specialist agencies who use such tools for auditing or provide them to current auditors to the auditors so the audit conducted are with precision and bring billing errors to the notice of TRAI.

C, There is new emerging global practice by Telecom Expense Management (TEM) companies to verify the billing at the consumer level as third party audit. The workshop conducted by India Resource Centre www.indiarc.org.in on 3rd October 2013 in New Delhi unveiled that in the large consumer such as banks, financial institutions, BPO/KPO etc. billing error are shocking. A session titled "Billing errors" and chaired by the former TRAI member Dr. DPS and other panel members who were from TRAI empaneled Auditor, service provider and large consumer. The session acknowledged the importance of introducing the TEM practice for large telecom users to ensure correct billing and timely refunds of any discrepancies found in the bills by the operators. It was surprising that the enterprise billing has an element of error of 30-40 % as compared to the retail customer billing having an error of less than 1%, which is monitored by TRAI through its existing mechanism of billing and metering audit. TEM practice is well known in USA, Europe, and Australia and it is at nascent in India which needs to grow under regulatory frame work of the government.

D, we presume that service providers do not intentionally bill incorrectly, but the incorrect bills are being generated due to many factors and oversights which lead to billing errors. The service provider engages the services of third party auditor (Revenue Assurance companies) to check under billing and assured they revenue by 3-4% . The same way they should be encouraged to use third party auditors (TEM Companies) on their own to check billing accuracy as per international best practice and confidence building measure with the consumers and happily return the excess amount identified by the TEM operators as wrongly charged in the bills, voluntarily.

We would please to put facts and billing metering procedures in presentation to TRAI if need be. Please find attached our response on the issues for consultation as per annexure 'a'

Please revert if you require any further information / clarification/

Thanking You,

Yours sincerely,

For Telecom Users Group of India



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Annexure "A"

TUGI RESPONSE ON ISSUES FOR CONSULTATION

Question 1: What are your views on imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justification.

TUGI Response; we agree with imposing financial disincentives for delay in submitting audit reports of the metering and billing system, however the current penalties are not adequate in comparison of the billing by the companies in the particular area and time. The fine should be directly proportionate to the company billing may be .001% of billing and delay of submitting of reports should be penalized by imposing a penalty of Rs 100,000 (Rupees One hundred thousand Only) a day.

The large consumer of telecom services like enterprises must also be covered in this, as per excess billing amount claimed by the TEM companies on behalf of the large consumer in defined time frame and if beyond a certain specified period, with penalty.

There is a need of appointing a telecom ombudsman to look in to these billing errors to provide speedy settlement of billing disputes and any discrepancies pointed out by the enterprise user and found to be correct.

Question 2: What are your views on imposing financial disincentives for delay in submission of Action Taken Reports on audit observations of the metering and billing system and for providing false information or incomplete information and what should be the quantum of such financial disincentives? Please give your comments with justification.

TUGI Response: We agree with imposing financial disincentives for Delay in submission of Action Taken Reports on audit observations of the metering and billing system. This is not only unethical and cheating but also the betrayal of consumer confidence in the billing systems, this should be taken as a heinous crime and should not only be punished with penalty but at the same time referred to court to be tried under IPC provisions.

Question 3: What are your views on the proposal for audit of the CDRs for at least twice a year- three months CDR pertaining to first half year and three months CDR pertaining to second half year? Please give your comments with justification.

TUGI Response: TRAI must do a capacity building exercise with the appointed auditors to handle additional load, and it is suggested that it should be link to billing cycle of the service company, if they bill monthly, it should be done on monthly basis.

Also standardized metering and billing tools must be deployed for identifying billing and metering errors and a process of assuring compliance correctness of billing must be deployed. There are existing best global practices and tools which offer standard procedures and custom built tools to identify such anomalies and offer suitable solutions to ensure correct billing and effective metering techniques.

Question 4: What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by service providers on such audit observations and financial disincentives on delayed refund of such overcharged amounts? Please give your comments with justification.

TUGI Response: The service providers are well equipped to file and respond on ATR and refund, there is no room for delay. After the bills are generated and delivered to the consumers and payment gets delayed, they use all sorts of persuasion and sometimes even arm twisting means to bring back their due amount, some time harassing the consumer. They should be heavily punished by defaulting return of excess amount to the consumer by INR 500000 and part of recovered amount should go to the consumer or consumer benefit.

Question 5: Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification.

TUGI Response: As stated in our preamble, the current audit being done on non realistic base, it requires sophisticated tools and expertise, the current empanelled auditors have to go for training and learn to use these tools. The selection of auditors should be left to the service providers it should be done on bi monthly on rotation bases. The auditors have to come out of their comfort zone to serve the consumer benefits.

Question 6: Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider? Please give your comments with justification.

TUGI Response: We do not support that auditors should be picked by the service providers; it should be nominated in a transparent rotational bases. We feel there would a scope of compromise between auditors and service providers as their payment is linked. Auditors fee should be paid by TRAI and may be recovered from service provider if need be.

Question 7: What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.

TUGI Response: The current remuneration of auditor fixed by TRAI is not as per market price, if you want best service you have to pay best price, this should not be linked with faulty bid practice of L1. TRAI must identify specialist for this kind of a job and introduce best global practice systems and processes to do justice to telecom billing issues and compliance.

Question 8: What are your views on the proposals relating to tariff plans to be covered for audit? Please give your comments with justification.

TUGI Response: As per TRAI statistics 96% consumer are on pre paid service and this segment belongs to students, home maker, daily wagger and rural people. There is no need to have so many tariffs plan for them which confuse them.

We think it is high time for TRAI to abolish forbearance and allow only regulated tariffs after through examination. It is indeed an irony that under the guise of forbearance all such tariffs of 2G, 3G, VAS, Data and Roaming is in practice which is totally unchecked. We suggest a regulated single plan for pre – paid consumers and choice plan for post paid.