

Videocon's Response to TRAI Consultation Paper on Review of Tariff for National Roaming dated 25th February, 2013

- Q1. Is competition in national roaming service in India robust enough for leaving the tariff for national roaming service under forbearance? Please support your viewpoint with reasons.**

We would like to submit that TRAI should leave the roaming tariffs to market forces. Roaming tariffs are already well below TRAI's ceiling on roaming charges. Any TRAI-proposed changes to the present cost-based approach may affect tariff & even local calling charges within the circle.

In case it is decided that the present costing/ceiling needs a review, we would like to suggest that TRAI should also consider the factors like reduced termination charges & abolished ADC component.

Market economies & user tariffs depend on the service area wise licensing regime. This has a direct impact when working towards the tariffs in a license service area. To do away with the roaming cost imply that the roaming & all other user tariffs in 'X' service area with a high license cost will be kept at par with the 'Y' service area with a much lower license cost.

Doing away with roaming charges will also lead to complexities in financial calculations. To illustrate, an operator has to charge a user in Bihar service area calling a Haryana subscriber as per the STD tariff, but the same Haryana user in roaming (using the same carriage & accordant costs) will not be charged for incoming calls. This would also encourage customer to avoid STD calls/charges through roaming route.

- Q2. Would it be appropriate to implement the home price rule (HPR) in national roaming service? What is the likely impact of such a regime on fair competition in telecom sector? Please support your viewpoint with reasons.**
- Q3. Would it be appropriate to implement Home Price Rule (HPR) in national roaming service with the provision of recovery of carriage charge on account of incoming call from the calling party? Please support your viewpoint with reasons.**

Since we are working with very dynamic market scenarios, the planned comprehensive framework should be sensitive to the operator costs too.

We are of the view that the cost for the incoming calls while roaming should not be revoked for the roaming subscriber. HPR framework requires that the incoming calls are made free while the outgoing calls are charged at home rates;

The CATCH:

1. A pre-call announcement is played for every calling party trying to reach the roaming user;
2. The calling party will be charged as per the STD tariff

Needless to say, the calling party will not be willing to complete the call after the pre-call announcement in view of the 'additional' cost burden for him.

However, as we can notice, the network infra for the home & visiting operators has been used but the call could not be monetized. We would like to submit that these instances will abound & will lead to user discomfort.

- Q4. Would it be appropriate to rationalize the tariff for national roaming service on the basis of present costs? Please support your view with reasons.**

We would like to suggest that TRAI reviews the cost based modal as there are elements which do not exist or have been changed at this point of time like termination charge (reduced to 0.20 paise); ADC component does not exist; Incremental cost for roaming would have been changed, these are the important factors on which the Authority should concentrate while deciding ceiling for roaming tariff.

- Q5. Would it be appropriate to revise ceiling tariff for national roaming service in such a manner that incoming calls while roaming are made free of charge while the cost of incoming calls is recovered through outgoing roaming calls?**

- Q6. In case your response to Q5 is in the affirmative, which of the following approaches would be more appropriate?**

- a. **With Immediate Effect:** viz. by fixing zero tariff for incoming calls and ceilings for outgoing calls while on national roaming allowing recovery of additional cost on account of free incoming calls, from the outgoing calls while on national roaming
- b. **Through a Glide Path:** viz. approaching zero tariff for incoming calls in a phased manner (over a period of say three years) and fixing year-wise tariff ceilings for outgoing calls while on national roaming allowing recovery of additional costs on account of progressively cheaper incoming calls, from the outgoing calls while on national roaming

We are of the opinion that removal of the incoming call charges for a user when he is roaming would have serious implications and result in imbalance in the tariff. Incoming call charge while roaming, include cost in terms of NLD carriage to be paid to the NLDOs and termination charges to be paid to the visiting network operator. Further, the carriage costs are regulated

by the Authority & the removal of roaming tariffs raises a question on the payouts to the NLDOs.

For instance, a roaming subscriber will not make outgoing calls but will be more willing to receive calls when he is roaming (since incoming calls will be free under this prescription).

This would be an immediate & major impact on the regional telecom operators. In addition to the existing payouts to visiting operators in terms of termination charges & carriage to NLDO, this is an imminent & adverse effect on revenues from incoming calls.

We would like to re-iterate that as an operator with non PAN-India presence, we are not favor of permitting free incoming to the roaming subscribers.

- Q7. Do you agree that there is no need to prescribe a tariff for video calls while on national roaming?**
- Q8. In case your response to Q7 is in the negative, please support your viewpoint with a detailed methodology to determine the tariff for video calls.**

Video calling, another service in the VAS portfolio is generally opted by the users who own high-end handsets & are willing to subscribe to the service, approving the cost implications for the same. We are of the opinion that the video calling service should be kept under forbearance.

- Q9. In case the tariff for national roaming service is set, would it be appropriate to prescribe that the tariff for an outgoing SMS while national roaming should not be more than that for an outgoing SMS from home service area?**
- Q10. In case your response to Q9 is in the negative, please support your viewpoint with reasons. In case you favour prescribing separate ceiling tariff for outgoing SMS while on national roaming, please support your viewpoint with a detailed costing methodology.**

Since the visiting network is being utilized for supporting the SMS (just like the voice calls) & there are no fixed charges (rental etc.) for the visiting user, the usage charges should be considered, hence, we request the Authority not to put any ceiling on this cost.

Q11. Should Special Tariff Vouchers (STVs) with roaming benefits be allowed? Please support your viewpoint with reasons.

We are of the view that the TRAI should allow the option to provide the special Tariff Vouchers (STV) or Roaming Packs to its roaming subscriber to give him a choice to avail the discounted tariff on voice, SMS and Video services while roaming.

Further, the Roaming Pack charges to the subscriber should be left to market forces.

Q12. In case your response to Q11 is in the affirmative, what regulatory restrictions should be imposed on such STVs?

The existing guidelines for the STVs have been put in place after a lot of thought process & brainstorming with all the stakeholders & under the prescribed framework by TRAI. We are of the opinion that the same guidelines should be extended to the Roaming STVs too.