

**Telecom Regulatory Authority of India**

**Press Release No.8/2006**

**16<sup>th</sup> January, 2006**

**TRAI issues Consultation Paper on “Tariff Plans with Life Time Validity”**

TRAI has initiated a consultation process on Tariff Plans with Life Time Validity by issuing a Consultation Paper. The last date for submission of comments by stakeholders is 31<sup>st</sup> January, 2006.

2. Mobile operators have marketed and offered tariff schemes promising lifetime validity (with free incoming calls). In the views of the Authority, there are some issues arising out of these plans and hence it needs to consult the consumers, service providers and all other interested parties about the impact of such long term plans with lifetime validity.

3. The Consultation Paper discusses various aspects of tariff schemes with lifetime validity and its impact both on consumer the telecom sector. The issues raised for consultation are given below:-

**Issue 1:** Long-term viability and sustainability of tariff schemes with lifetime validity.

**Question 1. Whether tariff schemes with lifetime validity would have long-term viability and sustainability? Please provide reasons for your answer.**

**Issue 2:** The concept of lifetime validity.

**Question 2. Whether lifetime can exceed the balance license period of the operators and if not, would the plans vary in their validity duration? Please provide reasons for your answer.**

**Issue 3.** Change in traffic patterns and IUC Regime.

**Question 3 : What will happen to the plans if the traffic patterns and Interconnect Usages Charge (IUC) regime changes substantially? Please provide reasons for your answer.**

**Issue 4:** Protection against hike in tariff.

**Question 4 [a] What are the possible measures to Protect interest of consumers who are subscribing to lifetime tariff plan ? Please provide reasons for your answer.**

**Question 4(b): What should be the nature of the penalty on operators should they renege on the contract of Life Time Offer?**

**Question 4 [c]: Should the Authority mandate that the features/call charges in the lifetime period offers shall not be altered to the disadvantage of the consumers during the entire period?**

**Issue 5 :** Implications for the orderly growth of the telecom sector.

**Question 5: What could be the possible implications of tariff schemes with lifetime validity for the orderly growth of the telecom sector ? Please provide reasons for your answer.**

**Issue 6 : Exit option.**

**Question 6: Is there any need to spell out exit options in the case of tariff schemes with lifetime validity? If so, what are they? Please provide reasons for your answer.**

**Issue 7: Asymmetric Regulation:**

**Question 7: In the light of the current experience with the Life Time Type tariff plans, should TRAI introduce Asymmetric Regulation requiring the dominant operator in the concerned service area to obtain prior approval of tariffs from the Authority? Give reasons for your answer.**

4. The full text of the Consultation Paper is available on TRAI's Website ([www.trai.gov.in](http://www.trai.gov.in)). Written submissions containing comments on the issues raised may be furnished to Secretary, TRAI by **31.1.2006**.