



DIGITAL
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RJIL/TRAI/2019-20/709
13th March 2020

To,

Shri Amit Sharma
Advisor (F&EA)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg, New Delhi 110002

Subject: Counter comments on Consultation Paper on Tariff Issues of Telecom Services dated 17.12.2019.

Dear Sir,

Please find enclosed counter comments of Reliance Jio Infocomm Ltd. on the comments submitted by other stakeholders on Consultation Paper dated 17.12.2019 on Tariff Issues of Telecom Services.

Thanking You,
For **Reliance Jio Infocomm Limited**,


Kapoor Singh Guliani
Authorised Signatory



Enclosure: As above.

**RELIANCE JIO INFOCOMM LTD'S COUNTER COMMENTS ON TRAI'S CONSULTATION PAPER ON
"TARIFF ISSUES OF TELECOM SERVICES"
(Consultation Paper Dated 17th December 2019)**

1. We have had the opportunity to go through the comments submitted by the various stakeholders to the TRAI's Consultation Paper on "Tariff Issues of Telecom Services" dated 17th December 2019. We submit that a common point emerging from a large number of stakeholder's comments is that there is an imminent need of introducing the floor price for data services in the country albeit a few stakeholders have mentioned that in case the floor is required, it should be for a limited duration.
2. On the other hand, a few stakeholders, including Consumer Organizations have argued that forbearance in telecom tariffs should be persisted with. The service providers like BSNL and MTNL have supported the floor price, while at the same time mentioning that the service providers with VLR based market share of less than 15% should be exempt from the floor restrictions. Our counter comments to these issues are detailed in following paragraphs.
3. We submit that, instead of common perception of harming the marginal or low-cost users, the implementation of Data Floor Price alongwith a Minimum Subscription Plan that will provide sufficient outgoing minutes and SMS benefits, will actually stabilize the telecom expenses for subscribers opting for low-cost tariffs, while also giving them sufficient entitlements at the same time.
4. Further, with regards to claimed adverse impact of innovation in sector, we submit that the technological innovations are a byproduct of availability of surplus revenue with service providers and this measure in terms of Data floor price will ensure long-term availability of internationally comparable digital services to the consumers, thereby benefitting customers in a longer run.
5. With regards competition in the market, we submit that a vital point that is ignored in this argument is that on one hand, massive investments are required for enhancing current networks and for laying 5G networks to provide quality and speed differentiators and to introduce better cost efficiencies. On the other hand, the overall overbearing burden of regulatory levies is stifling the sector, thus, competition can only be encouraged when the revenue in the sector are proportional to investment requirements and that can be done only by means of Data Floor Price. That will be stimulus to competition in sector and help achieve 5 trillion economy backed by a robust and world class digital backbone. Further, Contrary to the assumptions, the tariff intervention can and will be instrumental in be in the form of entirely new investments through



a new entrant. The possibility of minimum returns can increase the interest of global investors in both new entrants as well as existing players.

6. We whole heartedly support NITI Aayog and Competition Commission's view that the other regulatory reforms should be carried out for resolving the sectoral issues, however, these should be in addition and supplement the effect of Data Floor Price, which will provide immediate relief to the sector.
7. With regards submission to implement the Data Floor Price for a limited period, we submit that while RJIL does not see this as a permanent fix, however, we request the Authority to avoid any short time frames and initiate a review of the Data Floor Price only after sufficient time is provided to the sector to implement, realign to the new regime and assess its impact. The Authority should be satisfied that the requisite investment targets have been met and it deems the sector's financial healthy post before initiating this review.
8. We do not agree with the statement that the Indian data tariffs as a percentage of per capita income on PPP are higher than the developed nations. Actually Indian data tariffs are one of the most affordable tariffs in the world; despite having one of the higher spectrum cost globally. We would like to stress that investment requirement for the sector is determined by the absolute revenue of the Sector and should not be confused/mixed with the per capita income of the consumer, which is not relevant to the investment requirements in telecom sector. On the contrary, TSPs need to invest more to be able to improve their services to the consumer, which in turn can be supported by increased revenue.
9. With regards the argument that Increase in price may decrease in consumption, we submit that above argument is again a case of isolated thinking. While, we do not deny the possibility of a minor blip in consumption, however, we emphasize that the same needs to be weighed against the availability, accessibility and quality of service, which requires extensive investments. The Authority is requested to keep the same in mind while deciding on the issue. As the telecom's role in socio-economic development and its multiplier effect benefits to other industries, germinates from the availability of latest technology and services to maximum consumers and that the same should not be impacted by myopic approach of keeping consumer costs at the lowest at all times.
10. We also oppose the BSNL/MTNL suggestion on exemption from floor when the market share based on VLR subscriber base is less than 15%, as the same is totally untenable, would in fact promote inefficiencies and the intended objectives would not met if the revised tariff regime is not implemented uniformly across all operators.



11. We oppose the idea of unlimited free voice calls upon inclusion of ascribed value of Rs 60 in Data Floor Tariff. We submit that this will promote the abusers to tacitly violate Data Floor Price. We reiterate our submissions that as long as Interconnection usage charges are applicable for off-net mobile call termination, there should be a restriction on TSPs in offering free off-net calls. In case only Rs.60 are ascribed to offnet voice calls in a plan then only 1000 free off-net minutes should be permitted and all calls post that should be charged at Rs. 0.06/min. This will ensure that a regular user gets almost unlimited calls, while putting a tariff restriction on the abusers and maintaining sanctity of Data Floor Tariff at all times.
12. We reiterate that the Data Floor Price fixation exercise should not be shackled by varied costs of data services but be focused on increasing the sector revenue to ensure sustainable growth through continued investments and it should take the realization to at least to Rs. 20 per GB. As suggested before, to address sudden slump in demand for the wireless data services, the Data Floor Price should be implemented uniformly across all tariffs and subscriber segments in 2-3 tranches so as to minimize the impact of increase in tariff. The Data Floor Price should also cover the bundled tariffs and for voice only plans, a minimum subscription charge should be prescribed. We further submit that to ensure effective implementation, Authority should fix an effective date by amendment to existing TTO, from which all operators are barred from offering any segmented / one-to-one offers and all existing plans (Corporate, Consumer, Segmented, Tendered or otherwise contracts and any other) for mobile telephone services of all operators shall stand withdrawn. All plans should close at the end of validity of existing fully paid plan for pre-paid and post-paid and corporate plans should close at the end of the monthly billing cycle and tariff protection be waived off for all such plans.
13. We also reiterate that to avoid any ambiguity, the data floor should to be prescribed on Headline Tariffs (and not on realized tariffs). Further, in case of tariffs with daily data entitlement, TRAI may consider if any discount factor to be provided to take into account breakage / forfeiture of bundled data. Further, the floor to be applicable only for high-speed data offered in a plan and the low speed data offered post FUP not to be considered for the purpose of calculation of per GB realized tariff. If necessary, maximum FUP speed can be specified by TRAI. Additionally, Authority may also consider carry forward of data for both prepaid and postpaid subscribers.

