

To,

Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, New Delhi-110 002.

Subject: Comments on Consultation Paper on ‘Certain Issues relating to Telecom Tariffs’

Sirs,

We would appreciate it if you could take into consideration, our comments on the Consultation Paper on ‘Certain Issues relating to Telecom Tariffs’. MediaNama (www.medianama.com) is an independent digital news publication focusing on the fast developing digital content and communications industry, covering industry segments like Internet, Mobile, Digital Media, IPTV, DTH, and the implications of deployment of Mobile TV, 3G and Broadband Wireless Access. We both report and assess the implications of business developments and policy related to the segments we cover, including mobile and broadband content, communication and services.

Thanking You,

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Please take into consideration the following comments:

3. Do you think mandating “One Standard Plan for All Service Providers” particularly for the prepaid subscribers as suggested by some consumer organizations would be relevant in the present scenario of Indian telecom market?

Comment: We disagree: price related competition is key as a value proposition for consumers. One standard plan for all service providers will inhibit price competition, and thus consumers may not be able to benefit from reduction in pricing. Also, the 'one size fits all' philosophy is anti-consumer, since consumers should be free to choose tariffs that are idea according to their usage pattern.

4. Do you think the existence of large number of tariff plans and offers in the market are beneficial for the subscribers?

Comment: Yes, since it allows consumers more choice. At the same time, it is important for telecom operators to detail all specifications related to pricing plans. At times, sales agents operating on a commission from telecom operators share incomplete information with consumers, in order to lure them into changing plans.

5. In your opinion is it necessary to revise or reduce the existing cap of 25 on the number of tariff plans on offer? If so, what would be the appropriate number?

Comment: In our opinion, the more the plans, the greater the flexibility. In a competitive environment, why should consumers be denied more choice?

6. Should there any limit be prescribed on the rates for premium rate SMS and calls? If so, what should be the norms for prescribing such limit?

Comment: We think that there should be no limit prescribed on rates for premium rate SMS and calls, only that the rates (including the pulse rate in case of calls) should be clearly communicated to consumers. Certain premium services can command a high price in the market, in conjunction with their cost. The TRAI is in no position to suggest an equitable price for multiple services with different value propositions for consumers, or different cost structures. A premium call for listening to Mobile Radio will have a different cost structure (with music licensing), when compared with a call for listening to a friend's voice blog (with unlicensed, user generated content)

7. If not, what further measures do you suggest to improve transparency in provision of the premium rate services to prevent the instances of subscribers availing such services without understanding financial implications thereof?

Comment: All advertising and communication related to the premium call and service must mandatorily carry information of charges. Secondly, when a user dials into a premium call, the first 10 seconds should be free, and contain mandatory pricing information about cost and pulse rate, thus allowing the user to disconnect in case she doesn't wish to pay.

10. Considering the nature and structure of the prevailing tariff offerings in the market and advertisements thereof, do you think there is a need for TRAI to issue fresh regulatory guidelines to prevent misleading tariff advertisements?

11. Do you agree that the instances of 'misleading' tariff advertisements listed in this paper adequately capture the actual scenario in the market? If not, provide specific details.

Comment: regarding questions 10 and 11, telecom operators, when it comes to broadband and mobile Internet services, impose restrictions on usage, and yet continue to advertise plans as "Unlimited". This is inaccurate and misleading communication, since the word "Unlimited" suggests an absolute, not a conditional situation. For example, Reliance Netconnect and Tata Indicom, in 2009, advertised Unlimited plans for a fixed price, but beyond a data usage limit of 10GB, imposed an additional charge of Rs. 2 per mb.

Reference:

- <http://www.medianama.com/2009/03/223-tata-rcom-unlimited-wireless-data-card-plans-have-data-limits-of-10-gb/>
- <http://www.medianama.com/2010/06/223-rcom-launches-unlimited-mobile-internet-plans-capped-at-2-5gb-getting-fair-usage-limits-revoked/>

With the impending growth of Mobile Broadband post the launch of 3G services by private telecom operators, the TRAI needs to ensure that all communication from telecom operators to consumers regarding broadband (wireless and wireline) tariffs is clear and not misleading.

Stakeholders are free to raise any other issue that they feel is relevant to the consultation and give their comments thereon.

Additional Issue: False Billing & Provisioning Of Services Without Consent The TRAI still hasn't addressed the issue of false billing and provisioning of services without consent, which contributes to the growth of Non Vocie revenues of telecom operators. While the TRAI has issued a direction for this on 3rd May 2005, the practice of provisioning of services without consent still continues. From what we've heard from executives in the Mobile VAS industry, Telecom Operators issue a list of "Revenue Positive numbers" to VAS companies, which are essentially prepaid numbers with balance remaining on their account. In some cases, services are marketed to these numbers, and in other cases services are provisioned without consent. These decisions, we're told, are usually taken at the Circle level for telecom operators, since Circle heads are under pressure to reach revenue and VAS targets. This is anti-consumer, and there is no redressal mechanism in place. In our opinion, there need to be punitive measures taken against telecom operators in case of such practices.