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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

To,
The Advisor (F&EA-II)
Telecom Regulatory Authority of India
Mahanagar Door Sanchar bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi-02

No. Regln/ 4-18/2014(pt.)/ 4065

Dated: 02-05-2017

[Kind Attn: Shri. Kaushal Kishore]

Sir,
Sub: BSNL's comments on TRAI's Consultation Paper on "Regulatory Principles of
Tariff Assessment"

Kindly refer to TRAI's Consultation Paper on "Regulatory Principles of Tariff
Assessment". In this context BSNL's comments are as follows.

Question 1: Do you think that the measures prescribed currently are adequate to
ensure transparency in the tariff offers made by TSPs? If not, then, what additional
measures should be prescribed by the TRAI in this regard? Kindly support your
response with justification.

BSNL's Comment: Although measures prescribed by TRAI are successful in
arresting any gap in transparency and to ensure non-discrimination. However. The
concept of offering special tariff to specific filtered segment to customers which is
conveyed by SMS only may also be addressed. In this concept the SMS is sent to
specific customers regarding specific offers, as these offers are not available on print
media, in case of any deviation from the offer, the subscribers have no option except
to bear the pain.

Question 2: Whether current definition relating to "nondiscrimination" is adequate? If
no, then please suggest additional measures/features to ensure "non-
discrimination".

BSNL's Comment: Current definition relating to non-discrimination is not adequate.
Any classification of subscribers for offering differential tariff should be reasonable
and classification criteria should have direct relation with the objective to be
achieved through classification. It is observed that many TSPs are offering special
tariff applicable to individual customers only. The criterion of classification of such

customers is not disclosed by the TSP. The TSPs offers these special tariffs to selected customers only via SMS/USSD or Mobile App without maintaining transparency for criterion of classification. TRAI Act mandates that, if any differential tariff is given to any class of subscribers, reason of same should be recorded. Hence TRAI, if allow any segmented tariff, then TRAI should ask for full transparency from TSPs on this aspect. These tariffs should also be displayed on websites of TSP and reported to TRAI as per prescribed norms.

Question 3: Which tariff offers should qualify as promotional offers? What should be the features of a promotional offer? Is there a need to restrict the number of promotional offers that can be launched by a TSP, in a calendar year one after another and/or concurrently?

BSNL's Comment: The existing regulations with respect to promotional offers seems to be appropriate. Further as promotional offers are offered for limited period depending on different occasions, market conditions etc. It seems to be appropriate that if the promotional offers are transparent non-discriminatory and complies with TRAI Regulations, there shall not be restriction regarding number of offers in a year for the same. Promotional offers should have features which generally offer rebate/ concession in fixed cost of services i.e. concession in cost of SIM/ concession in activation charges, reduced tariff offer for limited period. The maximum period of promotional offer should be 90 days and the validity of concessional tariff should be limited to 60 days only.

Question 4: What should be the different relevant markets – relevant product market & relevant geographic market – in telecom services? Please support your answer with justification.

BSNL's Comment: Different relevant market should be wireless voice and data services as one product and wireline voice and broadband services as another product market. The geographical market should be LSA like Type A LSA should be one geographical market, Type B LSA should be another and Type C LSAs should be another geographical market.

Question 5: How to define dominance in these relevant markets? Please suggest the criteria for determination of dominance.

BSNL's Comment: Dominance should be decided on the basis of Significant Market Power (SMP) enjoyed by any player in relevant markets.

Question 6: How to assess Significant Market Power (SMP) in each relevant market? What are the relevant factors which should be taken into consideration?

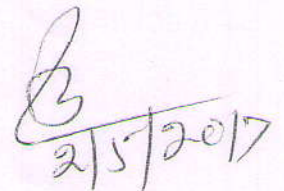
BSNL's Comment: Relevant factors for assessing SMP should be same as given in section 19(4) of competition Act 2002. In addition, for wireless Voice and Data services some other parameters like spectrum in one particular band as well as total cumulative holding of the spectrum in LSA should be taken into account.

Question 7: What methods/processes should be applied by the Regulator to assess predatory pricing by a service provider in the relevant market?

BSNL's Comment: To assess predatory pricing, TRAI may adopt similar process/ method as being adopted by CCI. However any price below Regulatory price fixed by TRAI should be as per se; predatory. Further, any price over AVC of service (to be determined by TRAI) should also be per se; predatory. Also, if all costing of service is included in FMC then equivalent minute/ data should be calculated based on regulatory price/ AVC to ascertain whether FMC is predatory or not.

Question 8: Any other issue relevant to the subject discussed in the Consultation Paper may be highlighted.

BSNL's Comment: No



2/5/2017

(Raghuvir Singh)
AGM (RegIn-II)