

Telecom Regulatory Authority of India

Sub: Short Consultation on certain Amendments to Telecommunications Tariff Order, 1999 as a sequel to the consultation process initiated in January, 2008.

Date: 23rd July, 2008

Background

A Consultation process was launched by the Authority with a view to review the regulatory framework relating to transparency in the matter of tariff offers in access service provision, as there is a feeling among consumers that tariff offers being made by the service providers are not transparent and consumer friendly. As part of this process, the Authority issued a Consultation Paper entitled, 'Issues Arising out of Plethora of Tariff Offers in Access Service Provision' in early part of this year. This was followed by Open House Discussions in Ahmedabad and Jaipur.

Based on the feedback received from the stakeholders, the Authority is of the view that the existing provisions of Telecommunications Tariff Order, 1999 need certain amendments to further enhance the transparency in the tariff offers in access service provision. Modifications proposed to be made as Amendments to Telecommunications Tariff Order are summarized below:-

- 1) The minimum protection period available to an access service consumer from hike in any segment of the tariff is proposed to be increased to 12 months from his/her date of enrolment into a tariff plan as against the current regime which provides for 6 months protection. However, lifetime subscribers and subscribers in

longer periods of validity will continue to be protected for the lifetime and with respect to the longer periods of validity subscribed to by the consumers.

- 2) In cases of straight tariff reductions, where the declared intention of the operator is to extend the benefit to all subscribers without any attached liabilities, there shall not be any pre-condition of explicit positive action on the part of subscribers.
- 3) In cases where a subscriber of an existing lifetime validity plan or unlimited validity plan opts for migration to a new lifetime validity or unlimited validity plan, with lower entry fee, the service provider shall not levy any upfront payment or recurring charges or fee for allowing such migration.
- 4) No fixed fee other than applicable taxes shall be levied on recharges exclusively meant for provision of talk time value. However, the service providers can charge a nominal fee not exceeding Rs.2 per top up towards administrative costs.
- 5) If the terms and conditions of a lifetime plan/plan with unlimited validity include any condition of minimum amount of recharge at specified intervals, such interval shall be minimum six months. Before expiry of the specified duration for the recharge, in these plans, if any, consumers are to be reminded by the service providers in advance to avoid disconnection by default.

The draft Telecommunications Tariff Order Amendment incorporates the provisions to cover the above mentioned aspects in tariff offers.

Stakeholders are requested to offer their views, if any on these proposals of the Authority to amend the Telecommunications Tariff Order.

Written submission in electronic form would be appreciated and the same may be submitted on or before 31st July, 2008.

Full text of the draft Telecommunication Tariff (48th Amendment) Order, 2008 is annexed herewith.

TO BE PUBLISHED IN THE GAZETTE OF INDIA,
EXTRAORDINARY, PART III, SECTION 4

TELECOM REGULATORY AUTHORITY OF INDIA

THE TELECOMMUNICATION TARIFF (FORTY-EIGHTH
AMENDMENT) ORDER, 2008

(---- OF 2008)

DRAFT NOTIFICATION

New Delhi, the day of July, 2008

No. 301-31/2007-Eco. — In exercise of the powers conferred upon it under sub-section (2) of section 11, read with sub-clause (i) of clause (b) of sub-section (1) of the said section, of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), the Telecom Regulatory Authority of India hereby makes the following Order further to amend the Telecommunication Tariff Order, 1999, namely: -

1 .(1)This Order may be called the Telecommunication Tariff (Forty-eighth Amendment) Order, 2008.

(2) This Order shall come into force from the date of its publication in the Official Gazette.

2. In clause 6 of the Telecommunication Tariff Order, 1999 (hereinafter referred to as the principal Tariff Order), -----

(a) in sub-clause (v),---

(A) for the words “ minimum period of SIX MONTHS”, the words “minimum period of twelve months” shall be substituted;

(B) for the words “period exceeding six months”, the words “”, the words “period exceeding twelve months” shall be substituted;

(b) in sub-clause (vi), for the words “ during the said SIX MONTHS period”, the words “during the said period of twelve months” shall be substituted;

(c) in sub-clause (vii) -----

(A) in item (a), for the words “ validity of more than six months”, the words “ validity of more than twelve months” shall be substituted;

(B) in item (b), for the words “ within six months”, the words “ within twelve months” shall be substituted;

(i) in item (c), for the words “ with a validity of more than six months under any tariff plan”, the words “with a validity of any period under any tariff plan” shall be substituted;

(c) after sub-clause (vii), the following sub-clauses shall be inserted, namely:-

“(viii) Where the terms and conditions of any tariff plan with lifetime validity or unlimited validity include any condition or stipulation which requires any subscriber to recharge for any specified minimum amount within specified time periods or intervals during such validity so as to keep the said tariff plan valid, such specified time period or interval, shall, in no case, be less than six months:

Provided that the service provider shall, on each occasion, prior to the date of expiry of such specified time period or interval, remind the concerned subscriber about such specified time periods or intervals either through customer care call or through short message service (SMS).

(ix) In cases of straight tariff reductions where the declared intention of the operator is to extend the benefit to all subscribers without any attached liabilities, there shall not be any pre-condition of explicit positive action on the part of subscribers. Exercise of an option by the subscriber is relevant only when such options lead to any liability or adverse conditions on his part.”.

3. In Schedule II relating to Cellular Mobile Telecom Service (CMTS) to the principal Tariff Order, -----

(a) under the heading “TARIFF”, in the entries occurring against the item “(4) Installation charge”, for the words “offered by a service provider.”, the following words shall be substituted, namely:-

“offered by a service provider and no up-front payment or recurring charges or fee or any such amount by whatever name or description, shall be levied from a subscriber of an existing life-time validity plan or unlimited validity plan (hereafter referred to as existing tariff plan) if such subscriber opts for migration to a new life-time validity or unlimited validity plan with lower entry fee.”;

(b) under the heading “TARIFF”, in the entries occurring against the item “(6) Tariff for pre-paid service”, in the proviso, after clause (e), the following clause shall be inserted, namely:-

“(f) no amount, whether as fixed fee or otherwise other than---

(i)applicable taxes; and

(ii)a nominal fee, not exceeding two rupees towards administrative costs or expenses for each recharge under any tariff plan, shall be levied on any recharge exclusively meant for provision of talk time value.”.

[M. Kannan]
Advisor (Economic)

Note.1. – The Telecommunication Tariff Order, 1999 was published in the Gazette of India, Extraordinary, Part III, Section 4 under notification no.99/3 dated 9th March, 1999, and subsequently amended as given below:-

Amendment No.	Notification No. and Date
1st	301-4/99-TRAI (Econ) dated 30.3.1999
2nd	301-4/99-TRAI(Econ) dated 31.5.1999

3rd	301-4/99-TRAI(Econ) dated 31.5.1999
4th	301-4/99-TRAI(Econ) dated 28.7.1999
5th	301-4/99-TRAI(Econ) dated 17.9.1999
6th	301-4/99-TRAI(Econ) dated 30.9.1999
7th	301-8/2000-TRAI(Econ) dated 30.3.2000
8th	301-8/2000-TRAI(Econ) dated 31.7.2000
9th	301-8/2000-TRAI(Econ) dated 28.8.2000
10th	306-1/99-TRAI(Econ) dated 9.11.2000
11th	310-1(5)/TRAI-2000 dated 25.1.2001
12th	301-9/2000-TRAI(Econ) dated 25.1.2001
13th	303-4/TRAI-2001 dated 1.5.2001
14th	306-2/TRAI-2001 dated 24.5.2001
15th	310-1(5)/TRAI-2000 dated 20.7.2001
16th	310-5(17)/2001-TRAI(Econ) dated 14.8.2001
17th	301/2/2002-TRAI(Econ) dated 22.1.2002
18th	303/3/2002-TRAI(Econ) dated 30.1.2002
19th	303/3/2002-TRAI(Econ) dated 28.2.2002
20th	312-7/2001-TRAI(Econ) 14.3.2002
21st	301-6/2002-TRAI(Econ) dated 13.6.2002
22nd	312-5/2002-TRAI(Eco) dated 4.7.2002
23rd	303/8/2002-TRAI(Econ) dated 6.9.2002
24th	306-2/2003-Econ dated 24.1.2003
25th	306-2/2003-Econ dated 12.3.2003
26th	306-2/2003-Econ dated 27.3.2003
27th	303/6/2003-TRAI(Econ) dated 25.4.2003
28th	301-51/2003-Econ dated 5.11.2003
29th	301-56/2003-Econ dated 3.12.2003
30th	301-4/2004(Econ) dated 16.1.2004
31st	301-2/2004-Eco dated 7.7.2004
32nd	301-37/2004-Eco dated 7.10.2004
33rd	301-31/2004-Eco dated 8.12.2004
34th	310-3(1)/2003-Eco dated 11.3.2005
35th	310-3(1)/2003-Eco dated 31.3.2005
36th	312-7/2003-Eco dated 21.4.2005
37th	312-7/2003-Eco dated 2.5.2005
38th	312-7/2003-Eco dated 2.6.2005
39th	310-3(1)/2003-Eco dated 8.9.2005
40th	310-3(1)/2003-Eco dated 16.9.2005
41st	310-3(1)/2003-Eco dated 29.11.2005

42nd	301-34/2005-Eco dated 7.3.2006
43rd	301-2/2006-Eco dated 21.3.2006
44th	301-34/2006-Eco dated 24.1.2007
45th	301-18/2007-Eco. dated 5.6.2007
46th	301-36/2007-Eco. dated 24.1.2008
47th	301-14/2008- Eco. dated 17.3.2008

Note 2. – The Explanatory Memorandum explains the objects and reasons for the Telecommunication Tariff (Forty-eighth Amendment) Order, 2008.