



## COAI response to the TRAI Consultation Paper on “Review of Tariff for National Roaming”

### I. Preamble:

- 1) The national roaming service allows a mobile subscriber travelling outside the LSA of his wireless access service provider (mobile operator) to use his mobile connection by means of a visited network. At the outset, we would like to highlight the fundamental principle as to why roaming exists in the present licensing regime:
  - a) As per the present licensing framework there are 22 circles in India and separate licenses are issued in each service area.
  - b) The annual license fee, spectrum fee and spectrum allocation is also service area wise.
  - c) Separate license is required for providing NLD & ILD services.
  - d) Any call between two different service areas is a National Long distance call (STD) and every CMTS/UASL operator has to use the service of the NLDO to carry a call from one circle to another.
  - e) The revenue collected from the National roaming services has to be shared between home service area, visited circle and NLDO.
  - f) Even under the New Telecom Policy 2012, although the convergence of services as well as single national license is envisaged, however, the administration of license for the purpose of spectrum allocation, network rollout and payment of license/spectrum fee continues to be circle wise for each service area separately. Therefore, sharing of revenue on account of roaming between the operators will continue as a licensing requirement.

### **Thus, National Roaming is the Outcome of the Licensing Regime.**

- 2) TRAI, in the present consultation paper, has envisaged four approaches towards establishing the tariffs for National roaming services:
  - a) Tariff for national roaming service be kept under forbearance.
  - b) Home price rule (HPR) should be applicable for national roaming service.
  - c) Revise ceiling tariff for national roaming service
  - d) Fixing zero tariff for incoming calls and ceilings for outgoing calls while on national roaming allowing recovery of additional cost on account of free incoming calls, from the outgoing calls while on national roaming.
- 3) Several issues to be kept in mind while initiating a review of Tariff for National Roaming. Some of the key issues are listed as below:

### Determination of Roaming Charges:

- a) As TRAI initiates the review of ceiling tariffs for roaming, it is important to have clarity around the definition of Roaming Charges. TRAI while computing the ceiling tariffs for roaming vide its TTO (44<sup>th</sup> Amendment) had considered three major elements: Interconnect Usage Charge (IUC), Access Deficit Charge (ADC) and Incremental Cost for Roaming.

- b) The charges levied for the provision of Roaming service are based on incremental cost including, but not limited to, cost of network augmentation of roaming, maintenance of roaming data, signaling charges, fixed signaling charges of INR 25 per month per roaming subscriber levied by BSNL, maintenance of TAP files, processing/settlements by Clearing House, etc. This adds to the costs of the roaming service, over and above the prescribed IUC.
- c) Some critical components of cost have increased since the previous review in 2007 such as spectrum prices in 2012, which are about 8 times higher than the prices determined by the market in 2001. Even futuristic costs set at a reserve price is higher since TRAI has proposed 24-30 times higher reserve prices for spectrum in the 700 MHz band compared with spectrum prices in the 1800 MHz band determined by market intervention in the year 2001.
- d) Moreover, it must be kept in mind that there have been a significant increase in the Regulatory costs due to the issues such as EMF, UCC, MNP, subscriber registration, subscriber verification, excessive charges by local authorities for Right of Way (RoW), permission for installation of towers and the increase in rates of grid power supply and diesel for the standby power plants.

#### Calling Party Pay (CPP) Regime:

- a) We are of the view that the regulation should be consistent over time or, at least, that changes in approach should be fully justified. The CPP regime was introduced in 2003. However it is not applicable to an incoming call to the roamer. This principle was rightfully followed and endorsed by TRAI in 2007.
- b) After implementation of the calling party pays (CPP) regime, the incoming calls became free for mobile subscribers while they are in their home service area. Under the CPP regime, the calling party's network compensates the called party's network for terminating the call on its network by way of interconnection charge viz. mobile termination charge. The calling party's network recovers the mobile termination charge from its own subscribers. However, the incoming calls while roaming are not free as the costs involved viz. The carriage charge for carrying the call from the home network to the visited network, mobile termination charge for termination in the visited network, and the other incremental cost of roaming have to be paid by the roaming subscriber who receives the call. **In case the burden of these costs is removed from the roaming subscriber, the cost which will be incurred for providing roaming services will have to be recovered in some other manner and may lead cross subsidization, which is not preferred.**
- c) We believe that the cost of an inbound call when roaming should **continue to be recovered from the roaming customer**. This practice has been prevalent for nearly 18 years, it has been endorsed by the regulator, and it is well established in the minds of customers who, on average, receive a benefit from receiving calls when roaming (and therefore are willing to accept, and pay for calls, when roaming).

#### Issues Requiring TRAI's consideration:

We would further like to submit that the proposal by TRAI to review the roaming charges is a complex issue with serious financial and operational implications. **There are several key issues which need to be addressed in case the difference between home tariff and roaming tariff is**

**to be done away with.** The same will lead to a scenario wherein the rates - home tariff and roaming tariff will be the same within a circle but there may be different rates for different circles.

- a) **Potential increase in Tariffs:** Mobile operators earn around 8%-9% of their revenues from roaming charges and with the introduction of free roaming these revenue streams will be hit. There are **already serious concerns around the financial health of the industry. Operators will be left with no choice but to re-balance/increase tariffs**, which will impact all subscribers, including the subscribers in the rural areas. **This is not a consumer friendly approach and we would like to know how TRAI will address this concern of the industry.**
- b) **Cost causation and Cross Subsidization:** As per the principle of cost causation, the cost for providing a service should be recovered from the users of service. Instead of recovering the cost of roaming from the actual user, the operators will be required to spread it to the entire customer base, which will result in the non-roaming subscriber to pay for the more affluent roaming customer. **Why should a subscriber be forced to pay to subsidize a service that he/she is not using? At a time when the government is trying to eliminate cross-subsidization in other sectors, this step will lead to cross-subsidization in the telecom sector**, where the entire subscriber base will have to bear the burden of the roaming services enjoyed by a handful of affluent roaming subscribers. This will also lead increase in complaints from subscribers.
- c) **NLD Carriage Charges:**
  - i) **NLD Carriage Charge for roaming:** All Incoming calls on Roaming today are routed through an NLD license/network and entail a pay-out to an NLD operator. This is the reason why incoming calls are not free while roaming nationally. This issue will not get resolved and access providers will have to perforce pay for the NLD network usage. This is the same reason why STD charges are different from local call charges. **Operators will be left with no choice but to re-balance/increase tariffs**, which will impact all subscribers, including the subscribers in the rural areas.
  - ii) **Artificial divide between STD and Roaming calls:** A review of the prevailing ceiling on roaming charges will have to consider the tariffs prevailing for long distance calls. An undue reduction in the ceiling applicable on roaming charge or free roaming will create an artificial divide between STD and roaming calls, which is both destructive and discriminatory. **Thus, a Delhi subscriber calling to say, a Mumbai subscriber will pay carriage /STD charges, but a Delhi subscriber roaming in Mumbai will pay no charges to receive incoming calls which involve the same cost of carriage.** Thus, in the long run, incoming Roaming calls charges removal will result in Zero STD charges and put an additional burden of costs on access and carriage service providers. To recover costs, operators will be forced to rebalance tariffs.

**In light of the issues listed above, the difference between home tariff and roaming tariff should not be done away with. Further, we believe the best approach forward is Forbearance of tariffs for roaming services.**

## II. Issue Wise Response:

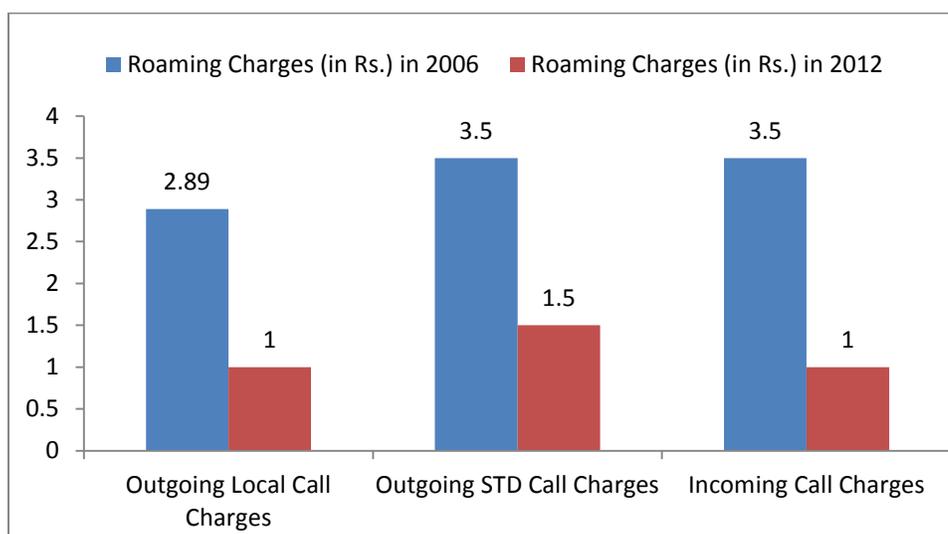
**Q1: Is competition in national roaming service in India robust enough for leaving the tariff for national roaming service under forbearance? Please support your viewpoint with reasons.**

### COAI Response:

Yes, there is an enough competition in the Indian telecom market with the presence of 6 to 8 service providers in each service area. Mobile Number Portability has further added the impetus with the flexibility to retain the original number while migrating to the other service providers. The policy of forbearance is important for the following reasons:

- a) The telecom sector has come a long way from the days of NTP-1994, when affordability and availability were key considerations and spread of telecommunications infrastructure was the primary criteria.
- b) The policy of forbearance has worked well in the telecom sector and driven by competition, India offers the most affordable mobile service in the world. The Teledensity has touched 74% and there are nearly 700mn active mobile subscribers.
- c) We believe that as we look into the second phase of reforms envisaged in NTP-2012, it is essential to consider whether 20 years after the telecom sector was liberalized, determining tariffs through regulation and policy interventions is at all desirable.
- d) The Cabinet on 31<sup>st</sup> May, 2012 approved the **National Telecom Policy, 2012** having one of the main objectives to work towards '**One Nation - Free Roaming**'. However NTP 2012 relies heavily on the implementation of a whole array of other policy and licensing changes like a **single telecom license**.
- e) NTP- 2012 envisages a **move towards pan-India Unified License regime** in order to exploit the attendant benefits of convergence, spectrum liberalization and facilitate delinking of the licensing of Networks from the delivery of the Services.
- f) Hence, **the policy on regulation of charges for national roaming has to be seen in the context of all the above policy announcements to arrive at a holistic view. The inter-circle roaming should be allowed to the full extent and it would be more appropriate to leave tariffs for national roaming under forbearance.**
- g) Forbearance has provided flexibility to operators to offer tariffs as per consumer needs and requirements. Operators have the flexibility to offer tariffs to match the needs and usage of subscribers through innovative tariff plans, Special Tariff Vouchers, Combo Plans, etc. This has been a major contributor to the growth in telecom services.
- h) The current ceiling for roaming tariffs implemented since 15th February 2007 vide 44<sup>th</sup> Tariff Order Amendment to TTO'99, has taken away the flexibility of providing need and usage based roaming tariffs to customers. In spite of this and the inflationary pressure in the economy, tariffs for roaming have fallen over the years driven by market forces.

## Roaming Tariffs



Source: TRAI Consultation Paper on Review of Ceiling Tariffs for Roaming Services dated 2006 and TRAI Pre-consultation Paper on Review of Tariff for Roaming services -2012

- i) **In light of the above, the roaming tariff under the prevalent hyper competitive market condition should be kept under forbearance and the existing cap on roaming tariff should be removed.**

**Q2: Would it be appropriate to implement the home price rule (HPR) in national roaming service? What is the likely impact of such a regime on fair competition in telecom sector? Please support your viewpoint with reasons.**

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**Q3: Would it be appropriate to implement Home Price Rule (HPR) in national roaming service with the provision of recovery of carriage charge on account of incoming call from the calling party? Please support your viewpoint with reasons.**

### COAI Response:

- a) **We do not support the implementation of HPR in national roaming services.** In fact, implementing HPR will result in an increase in tariffs for calls, and an ordinary non-roaming customer will bear the burden of increased tariffs for the roaming service, which is primarily used by the affluent class of customers. TRAI has also acknowledged this fact of increase in tariffs and has envisaged recovering this loss of carriage charges from calling party, which does not seem to be rational. Why should a customer who is not enjoying the service bear the price burden?
- b) TRAI is well aware of the fact that in the CPP regime a roamer pays for the cost of an incoming call, which is actually the tariff for the call forwarded from home circle to visited circle. In case of HPR, the home circle operator will not be able to collect any charge from its customer for the incoming calls which will lead to rebalancing/increase of tariff and thus cross subsidization. This subsidy would further increase due to increase in incoming traffic on implementation of HPR with nil

roaming tariffs for the incoming calls. Thus, the approach suggested by TRAI is not acceptable/non-implementable due to the following reasons:

- i) For an incoming roaming call, the home circle incurs a substantial cost in its network apart from the carriage charge paid to the NLD Operators. Implementation of HPR will lead to non-recovery of cost especially the cost of origination i.e. call forwarded from the home circle to visited circle. This may lead to substantial increase in tariffs.
- ii) In a Roaming scenario, nowhere in the world, operators charge the calling party for the roaming incoming calls, which includes carriage charges.
- iii) This will lead to customer inconvenience as he/she will not be aware of the called party location.
- iv) **The TRAI proposal to play a pre-call announcement for the out-roamers is not feasible and it will have wide implications such as increase in call setup time, mean holding time, signaling load on the network and poor customer experience.** Further, a majority of present switches do not support this functionality. **We, therefore, do not agree with a view to play preannouncement which is not only technically challenging but will also have huge cost implications.**
- v) Our country has literacy and technology acceptance limitation issues and the proposed IVR solution (Pre-call announcement) may not be interpreted or understood by millions of people. Consumers would not be comfortable with using an IVR for multiple calls (in case their called number is often outside the home service area). It would eventually lead to consumer's either abandoning calls on realizing that the called number is on roaming and they will have to pay for extra cost / charge for the call or they would complain of incorrect deductions in case if the call was matured without their concurrence. This will result in drop in MoUs from the Home service area and roaming as well.
- vi) This would also lead to billing complexities.
- vii) Inter operator settlement of IUC shall become more complex as the CDRs of the calling party operator will not contain the roaming status of the called party. This will make the IUC billing and reconciliation very difficult and prone to disputes.
- viii) Further, TRAI has suggested that implementation of HPR will result in a substantial increase in roaming traffic which in turn will compensate for the losses due to non-recovery of carriage charge. However if this elasticity had existed then the operators would have already exploited this as an opportunity. The assumption of compensatory revenue through higher roaming traffic is incorrect because any increase in roaming traffic will result in a corresponding increase in the carriage cost also. Therefore it can never compensate for the loss due to non-recovery of carriage charge. Eventually the increased roaming traffic will be an additional burden on non-roaming subscribers. TRAI through its various regulations/policy measures had been proposing the reduction in cross subsidies. Implementation of HPR in roaming will result in the introduction of a new cross subsidy **contradicting TRAI's earlier policies against any type of cross-subsidy.**

In addition to above, we believe that implementation of HPR in Roaming is ridden with various flaws, the same is highlighted below:

c) **Revenue Loss to the operators:**

- i) Under the proposed option while on national roaming, **the incoming calls would become free and the outgoing calls would be charged at the same tariff as applicable in the home service area. This will result in revenue loss to the operators. Below table highlights the revenue impact estimated by TRAI.**

**Impact on Annual Revenue of Wireless Access Service Segment upon Implementation of HPR vis-a-vis Aggregate Annual Revenue**

Item	Scenario-1	Scenario-2	Scenario-3
	Carriage Charge @Re. 0.15 per Minute	Carriage Charge @Re. 0.30 per Minute	Carriage Charge @Re. 0.50 per Minute
Gross Revenue of Wireless – Full Mobility Service in F.Y. 2011-12 (in Rs. Crore)	132211		
Change in Annual Revenue of Wireless Service Providers upon Implementation of HPR (in Rs. Crore)	-1803	-1980	-2216
% Change in Annual Revenue of Wireless Service Providers upon Implementation of HPR	-1.36%	-1.50%	-1.68%

ii) **The above revenue loss may force operators to re-balance tariffs**

- d) **Cost Causation-** As per the principle of cost causation, the cost for providing a service should be recovered from the users of service. In case of HPR, instead of recovering the cost of roaming from the actual users, the operators will be required to spread it over the entire customer base which will lead to a higher burden on ordinary customer, who does not roam. Moreover, called party has all the option to receive the calls or not and hence should bear the roaming charges.
- e) **Balance between home and roam rates:** In case there is a mandate to implement HPR then the same will drive an increase in home tariffs as these rates will become unsustainable. Free CUG calls and low on-net rates will have to undergo a complete overhaul if home rates are equated with roaming rates.
- f) **Other issues:** In case of the implementation of HPR following issues as highlighted in preamble may arise such as; i) Potential Increase in Tariffs, ii) Cost Burden of the incoming calls on Roaming, iii) Implication on the NLDO's iv) Fee levied by BSNL v) Review of interconnection Arrangements, vi) Artificial divide between STD and Roaming calls, vii) tremendous increase in roaming traffic, particularly incoming roaming leading to QoS issues viii) level playing field.
- g) Further, we would like to submit that any arrangement where the difference between the tariff while roaming and the tariff in the home network is done away with cannot work as it will undermine the investments made by the operators. It will also result in non-recovery of cost of termination of roaming traffic and other roaming related costs.

**Q4: Would it be appropriate to rationalize the tariff for national roaming service on the basis of present costs? Please support your view with reasons.**

**COAI Response:**

- a) **We are of the view that tariffs for national roaming services should be under forbearance and the roaming ceiling should be done away with.**
- b) TRAI in the present consultation paper has assumed that the costs of providing the services have reduced and has completely ignored the present state of the telecom industry.
- c) National roaming charges were last reviewed by TRAI in the year 2006-07 and cost of provisioning the services since 2007 has increased manifold. Due to inflation and regulatory actions, the following costs have increased during the period:
  - i) The Cost of Spectrum has increased 7-8 times in 2012 compared with the earlier market determined entry fee in 2001. These charges now will form a substantial part of an operators costs to provide services.
  - ii) The input factor cost has also increased in the past 5 years like Energy – power & Electricity, Diesel Fuel, Cost of Manpower, Site Rentals. Maintenance of Equipment – Radio and Core.
  - iii) IT costs have gone up substantially due to additional database storage requirements owing to high usage volumes, security requirements.
  - iv) Cost of Security wherein additional deployments are required to fulfill the needs of Security agencies.
  - v) Increase in Regulatory Compliance charges which include additional deployments due to security, compliance, new developments like MNP.
  - vi) Potential increase in Capex to lay new infrastructure and replacement costs.
- d) In light of the above, we believe that the roaming charges should be kept under forbearance considering the cost escalation since 2006-07. Notwithstanding, if authority still wishes to review the ceiling tariffs for roaming the following should be considered:
  - i) Any review of ceiling tariffs should well consider the increase in cost as mentioned above.
  - ii) Termination charges as fixed by TRAI are well below the actual cost of termination which is under litigation. Hence, IUC reference for calculating the ceiling is not correct.
  - iii) As mentioned in the above response, the incoming call tariffs are the STD call forwarded by the home circle. Thus comparing this with NLD carriage is not correct. TRAI contention to recover the carriage charge of 65 Paisa and below is incorrect.
  - iv) The origination charge has been kept under forbearance under the present IUC regime. Therefore, TRAI's assumption of origination charge equal to the termination charge is totally wrong and would lead to ceiling tariff which is much below cost. Infact, the cost of origination is higher than termination because of the need to recover customer related costs e.g., marketing and acquisition costs.

- v) The ceiling tariff is the highest tariff which an operator is allowed to charge. Fixation of ceiling tariff close to the cost will be tantamount to fixation of tariff itself which we believe is neither the intent nor logical in the present IUC regime. Therefore, the ceiling tariff should be sufficiently high so as to allow the operators to recover their highest cost with a reasonable margin and also provides the flexibility of fixation of market driven tariffs while protecting consumer interests against any misuse. Fixing the ceiling tariff below cost would be catastrophic and will result in cross subsidies.
- e) However, we would like to submit that TRAI vide this consultation paper must not stray into adjacent areas such as the definition of service areas, the cost of IUCs or the structure of wholesale roaming agreements, while calculating the ceiling for the roaming charges.

**Q5: Would it be appropriate to revise ceiling tariff for national roaming service in such a manner that incoming calls while roaming are made free of charge while the cost of incoming calls is recovered through outgoing roaming calls?**

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**Q6: In case your response to Q5 is in the affirmative, which of the following approaches would be more appropriate?**

- i) **With Immediate Effect: viz. By fixing zero tariff for incoming calls and ceilings for outgoing calls while on national roaming allowing recovery of additional cost on account of free incoming calls, from the outgoing calls while on national roaming**
- ii) **Through a Glide Path: viz. Approaching zero tariff for incoming calls in a phased manner (over a period of say three years) and fixing year-wise tariff ceilings for outgoing calls while on national roaming allowing recovery of additional costs on account of progressively cheaper incoming calls, from the outgoing calls while on national roaming**

**COAI Response:**

**No, we do not agree with the approach of recovering the cost of incoming call from the outgoing calls made by a roaming subscriber due to the following reasons.**

- a) At present in-roamers pay for the cost of incoming calls. The incoming call charge while roaming, includes cost in terms of carriage (to be paid to the NLD operator) and termination charges (to be paid to the visiting network operator), thus any attempt to remove the same would have serious cost implications and aberrations in tariff regime.
- b) The roaming subscribers have the option to choose which incoming calls they may answer, since the calling party number is clearly visible to the called roaming subscriber. Since, the Called Party while roaming nationally has the option to receive only those calls, for which it wants to pay, therefore we believe that the cost of incoming calls should continue to be borne by the Roaming Party. This is logical since the entire flexibility of receiving the calls is with the roaming subscriber and as such any subscriber who is able to travel from other states/circles/LSAs has ability to afford the inter-circle carriage charge.
- c) We would further like to submit that effect of charging for the incoming roaming call from the outgoing call on roaming on overall demand will depend on the relevant price sensitivities of the

different customer types. These price elasticities are not known, however it is possible that there might be decline in the outgoing calls on roaming consequent to a price increase.

- d) This approach would increase the burden on the operators as there will be an additional increase in the number of calls to SIMs which are roaming, while there will significant decrease in the outgoing calls on the roaming SIM's. For example, a migrant worker in one circle who habitually makes STD calls to his family at his home (another circle) will purchase a SIM card from the circle in which he works (with a 'local' service area specific number) and give it to his family. In other words, the number of roaming SIMS will increase. The calling party will save money by paying for a local call (instead of an STD call) and the called party will not pay (by not making any call) to receive the call. Thus while the operators in this case will have to bear the cost of the incoming leg, however they will not be able to recover costs of carriage for the outgoing call from the out roamer. Thus again there will pressure on the operator to recoup these costs from other services; both increasing the magnitude of cross-subsidy noted above and the potential negative impact on total call traffic.
- e) Also, we believe that this approach will not be practical in a market where the impact of regulating roaming would be felt differently across operators and therefore if the costs involved in receiving calls when roaming are not paid by the roaming subscriber, these costs will remain unrecovered.
- f) Removal of the cost burden for incoming calls from the roaming subscriber will have an adverse impact on relatively smaller operators, who do not have a PAN India footprint and are using the services of other operators for roaming services.
- g) **Further, we would like to submit that while the CPP regime was introduced in 2003, it is not applicable to the incoming leg of the call to the roamer and this principle was rightfully followed by TRAI in 2007. We, therefore, urge TRAI to continue this approach. The principles that have been developed for wholesale roaming and carriage in the last 18 years should continue as far as possible.**

**Q7: Do you agree that there is no need to prescribe a tariff for video calls while on national roaming?**

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**Q8: In case your response to Q7 is in the negative, please support your viewpoint with a detailed methodology to determine the tariff for video calls.**

**COAI Response:**

- a) TRAI itself in its consultation paper have highlighted following point with regards to the video calls:
  - (i) Video calls are in an early stage of growth.
  - (ii) Video calls are premium services in the sense that these are not consumed by the masses.
  - (iii) Such calls are being offered at reasonable tariff in the marketplace.
- b) Further, we would like TRAI to take into cognizance of the fact that the 3G spectrum that facilitates such calls has been acquired at a steep price, and hence any tariff prescriptions at this stage would undermine the huge investments made for provision of the service.
- c) **We therefore feel that there is no need to interfere with the roaming tariffs for video calls and these should be kept under forbearance**

**Q9: In case the tariff for national roaming service is set, would it be appropriate to prescribe that the tariff for an outgoing SMS while national roaming should not be more than that for an outgoing SMS from home service area?**

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**Q10: In case your response to Q9 is in the negative, please support your viewpoint with reasons. In case you favour prescribing separate ceiling tariff for outgoing SMS while on national roaming, please support your viewpoint with a detailed costing methodology.**

**COAI Response:**

- a) For all **roaming calls and messages handled by the visiting network**, exchange of the signalling information with the home network is involved in the case of both prepaid and post paid subscribers. Since the **visiting network is not realizing any fixed charges** like rental etc. from the temporary subscribers roaming in its network, the **usage charges have necessarily to be higher** as compared to the charges for the SMS originated in the home network.
- b) Presently the additional cost of SMS has not been considered while fixing the ceiling tariffs for the incoming SMS to the national roaming subscriber. However, there are the cost components such as SCCP signaling carriage charges & SMS termination charges (applicable in case of few member operators) etc. which need to be recovered from roaming subscribers. Also, SMS delivered for a roaming subscriber in the visited network is carried on a national backbone which requires to be compensated in addition to the termination charges payable to terminating subscriber. An incremental charge for roaming like in the case of voice calls is also applicable on SMS which should also be recoverable for the home / visited networks. Thus operators should be allowed to recover this cost of the incoming SMS from its customers.

Further, we have submitted in our response to Q2 and Q3 above that HPR and free incoming while roaming would lead to cross subsidization and loss of legitimate revenue to the home circle operator. Therefore, we believe that the same logic applies for the SMS as well.

- c) SMS is a part of the entire tariff package and cannot be seen in isolation.
- d) The authority may allow the use of rental, STV or combo voucher for proving the customer friendly roaming tariffs for SMS as well.

**Q11: Should Special Tariff Vouchers (STVs) with roaming benefits be allowed? Please support your viewpoint with reasons.**

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**Q12: In case your response to Q11 is in the affirmative, what regulatory restrictions should be imposed on such STVs?**

**COAI Response:**

- a) All national roaming tariffs should be forborne. We are of the view that the operators should be given the option to provide the Special Tariff Vouchers (STV) especially for roaming to its

subscriber. We view the current restrictions in providing the STV to roaming customers as needless and anti-consumer.

- b) We also request that along-with STVs, TRAI should allow roaming tariff benefits through Combo Vouchers (CV's). It has been observed from past many years that STVs and CVs play a big role in bringing down the tariffs as well as suit customer affordability by providing range of benefits over different component and also with short term validity.
- c) Regular roaming users generally subscribe to roaming specific tariff plans, which provide them with the benefits of reduced roaming tariffs. However, there is a significant market segment who roam for a relative short period and are bit reluctant to go for tariff plan changes for availing roaming benefits. These customers can be given benefits of reduced roaming tariffs through STVs, Combo Vouchers and thus, effective roaming rates can come down in future with phased increase in traffic volumes.
- d) Further, the STV offerings to the roaming subscriber should be left to market forces and the subscriber's choice. Thus there should not be any regulatory restrictions on the STV's.
- e) We would also like to submit that in case the HPR approach is implemented then these STV's would have no meaning. Moreover, operators will cease to provide STVs in some home markets for fear that the associated SIM cards would be exported to other circles, thereby making the offer of STVs uneconomic. Roaming regulation will therefore dampen competition in many service areas because operators will be wary about introducing STV deals which would otherwise, in the absence of roaming regulation, have benefited the customers.

**Q13: Is there any other relevant issue which should be considered in the present exercise of review of the tariff for national roaming service?**

**COAI Response:**

- a) We request Authority to kindly consider the financial health of the industry and increase in cost (since 2006-07) while considering any review of tariffs for national roaming services.
- b) TRAI should undertake a comprehensive review of interconnection, licensing, legal, technical and routing issues, as well as financial/cost impact on the operators.

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