



Association of Unified Telecom Service Providers of India

AUSPI/12/2012/198

21st December, 2012

Shri Rahul Khullar,
Chairperson,
Telecom Regulatory Authority of India,
Mahanagar Door Sanchar Bhawan,
Jawaharlal Nehru Marg,
Old Minto Road,
New Delhi - 110002

Sub: AUSPI's Response to the TRAI Consultation Paper No. 16/2012 on 'Deactivation of SIMs due to Non-usage'.

Dear Sir,

Please find attached AUSPI's Response to the TRAI Consultation Paper No. 16/2012 on 'Deactivation of SIMs due to Non-usage'.

We request the Authority to kindly take AUSPI's views into consideration while coming out with any recommendations on the issue.

Thanking you,

Yours faithfully,

Ashok Sud
Secretary General
Mob: 9312941515

Encl: As above

Copy to :

- 1) Shri R K Arnold, Member, TRAI
- 2) Prof. H S Jamadagni, Member, TRAI
- 3) Prof Pankaj Chandra, Member, TRAI
- 4) Shri Rajeev Agrawal, Secretary, TRAI
- 5) Shri Rajpal, Advisor (F & EA), TRAI



**AUSPI's Response to the TRAI Consultation Paper No. 16/2012 on
'Deactivation of SIMs due to Non-usage'.**

AUSPI welcomes the opportunity extended to comment on the issues raised in consultation paper on "Deactivation of SIMs due to Non-usage".

Q1) What period of continuous non usage of SIM should be kept as criteria for deactivation by the telecom service providers?

i)60 days ii) 90 days iii) 120 days iv) 150 days v) 180 days vi) Any other

AUSPI Response:

- i) The criteria for deactivation of SIM due to non-usage should be fixed at 60 days i.e. option no. 1.** This would help our member Service providers in proper number resource management. This should be applicable to all existing and new subscribers irrespective of the tariff and validity plans they have chosen.
- ii) DOT in July, 2011 changed basis of allocation of additional numbering series from HLR to VLR i.e SIMs which are not currently in use are no more counted for the purpose of allocation of additional number series.** As new number levels are allocated only on the basis of active SIMs, there is clear requirement that inactive number should be deactivated and recycled.
- iii) As per studies and reports the average monthly churn rate of wireless subscribers in India is around 6% which is one of the highest in the world.** As per the information published on in-active SIMs in the consultation paper also the monthly churn is around 5-6%. As churn rate is very high, the number of inactive SIMs at any point of time is very high. Ever month around 5% SIMs are added in list inactive SIMs which puts tremendous pressure on number availability.
- iv) Most of the Service providers have adopted 60 days criteria for SIM to be classified in the active/inactive category.** The same definition should be allowed to be continued. In case SIM inactivity definition is increased by 30 days, the numbering requirement will increase by 5-6%. It is not possible to meet the additional 5-6% numbers requirement if the present definition of inactivity is even increased by 30 days to 90 days.
- v) Prolonged periods of non-usage if permitted would lead to inefficient utilisation of numbering resources and would require shifting to 11 digit numbering levels.**



- vi) Pre-paid SIMs are pre-provisioned with numbers. India has almost 96% subscriber base in the pre-paid category and for all of them operators adopted a number pre-provisioning process. Thus in India large inventory of numbers is required even for in-active SIMs sold to retailers/dealers for acquiring new pre-paid subscribers.
- vii) It will be very difficult for service providers to effectively use numbering resources in case they are not allowed to de-provision inactive SIMs within 60 days. Subscribers who have churned and are unlikely to use SIM again should be allowed de-provisioning so as to make way for the new subscribers who are willing to use the services of Telecom Service provider. Otherwise, the dormant subscribers will be a stumbling block in provision of the services for the new subscribers.
- viii) **In view of the above we recommend 60 days criteria for SIM deactivation.**

Q2) Which (one or more) amongst the following should be included in the scope of activity with regard to the criteria for deactivation upon non-usage?

- i) Outgoing voice call,
- ii) Incoming voice call
- iii) Outgoing video call
- iv) Incoming video call
- v) Outgoing SMS
- vi) Incoming SMS
- vii) Data transfer
- viii) Activation of a voucher
- ix) Switching the connection 'ON' by powering on the handset and SIM
- x) Any other

AUSPI Response:

We recommend that amongst the above options, minimum one activity i.e. outgoing voice call/ incoming voice call/ out-going SMS/ Data transfer/ Activation of Voucher in running 60 days should be included in the scope of activity with regard to the criteria for deactivation of SIMs upon non usage. This should be applicable to all existing and new subscribers irrespective of the tariff and validity plans they have chosen.

Incoming SMS and switching the connection 'ON' by powering the handset and SIM should not be considered to be part of activity. Incoming SMS can be spam messages, service messages from TSP or telemarketing messages in



which the subscriber is not interested. The just switching the connection 'ON' without any activity also does not result in any usage; hence these two activities should not be included in the criteria for deactivation of SIM's.

- Q3) Which methods should be used for communicating the criteria of deactivation of SIMs to the subscribers in a transparent manner?**

AUSPI Response:

The method to communicate the criteria of deactivation of SIMs should be communicated to the subscribers in a transparent manner like printing the criteria on SUK/CAF/leaflets, sending SMS to the existing subscribers, notice on website and retail points and press releases, wherever applicable.

- Q4) Should the condition of deactivation due to non usage apply in all cases, or should it apply only in those cases where such a condition formed part of the contract at the time of enrolment?**

AUSPI Response:

The condition of deactivation due to non-usage should apply in all cases and all type of tariff plans. However, if a customer gives in writing that he is going abroad or he would not be using the SIM for a particular period due to other reasons and would like to retain the number by paying a nominal monthly retention charges, then such condition of deactivation should not be applicable in his case.

- Q5) Whether there is requirement of a connection retention scheme for the wireless subscribers who wish to retain their mobile connections active/live even after long continuous periods of non usage? if yes, what should be the terms, conditions and charges under such a scheme?**

AUSPI Response:

Yes, this is a welcome suggestion. AUSPI is of the view that in the interest of both the subscribers and the service providers, there should be a connection retention scheme for keeping a mobile connection active/ live regardless of continuous non-usage beyond 60 days by payment of nominal connection monthly retention charges. The cost of acquisition of a subscriber and maintaining it in various systems like billing system, Customer Resource management (CRM) platforms deployed by the TSPs in their network is substantial. Thus, there is case to give the existing subscriber another opportunity to become active on the network by levying a nominal monthly retention charges. The terms and conditions and monthly retention charges should be under forbearance.



Q6) Whether the monetary value remaining on a prepaid SIM should be forfeited upon deactivation of the SIM due to non usage or it should be refunded/returned back to the subscribers?

AUSPI Response:

In case of SIM deactivation the monetary value remaining in customer account should be forfeited. It may be noted that:

- Pre-paid customers purchase air time to be used for making calls, sending SMS or Data transfer. The recharge is not a deposit with service providers.
- Service providers immediately pay service tax, retailers/dealers commissions on every recharge. In many cases license fee and spectrum charges are also paid.
- The amount recharges is totally voluntary. There is no requirement to maintain minimum balance with the service providers.
- Also, in case of porting of numbers, it becomes very difficult to trace the beneficiary.
- Existing contracts clearly indicate that money will not be refunded against any unused airtime. Customers are adequately informed that airtime would lapse in case of termination of contract.

In view of the above, the monetary value (airtime) remaining on a prepaid SIM has to be forfeited upon deactivation of the SIM due to non usage.

Q7) Whether there is a requirement for specifying a period, within which a wireless subscriber should be allowed to reactivate his SIM that was deactivated due to continuous non usage? If yes, what should be such reactivation period and other terms and conditions thereof?

AUSPI Response:

We suggest the grace period of 15 days can be given to the subscriber post completion of 60 days of non-usage period for keeping the account active by recharging their account with top-up voucher. The operator should be allowed to levy a nominal reactivation charge on such customers.