



COAI's submission to the Draft Regulation on "Review of The Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023".

We thank the Authority for providing us with the opportunity to submit our response to the Draft Regulation on "Review of The Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023".

1. The era of pulse-base charging has been replaced by a large-scale adoption of flat charging in India. The flat tariffs have ushered in a new era of telecom tariffing in the country, with data replacing the voice calls as central focus point of most tariff plans. The tariffs are now differentiated basis the data allocation under a recharge voucher and how that data will be provisioned i.e., daily basis or monthly basis and other variants thereof. The voice minutes and SMS and any other benefits are generally bundled along with the data in most popular plans by all service providers.
2. Further, majority of tariffs provide unlimited or sufficiently high bundled voice, SMS and data, wherein the customer pays one-time fixed charges thereby obviating the need for auditing of charging mechanism.
3. Thus, instead of the ongoing process of amending the Metering and Billing Regulations, we expected the Authority to consider completely repealing the existing Metering and Billing Regulations, in view of the changed market realities. However, we are surprised to observe that the Authority has sought to make the regulations more onerous and cumbersome under the draft regulations which is not at all desirable and goes against the spirit of Ease of Doing Business.
4. **It is worthwhile to highlight here that the systems and processes implemented by the TSPs are ISO certified or equivalent thereof.** Credibility and confidence are established among consumers, clients, and other business partners through such accreditation. Such a certificate confirms that a company complies with international norms for quality assurance, manufacturing, and business in today's global economy. These certifications are issued only after thorough verification of the processes for arriving at the value of each parameter and every benchmark laid down by the relevant Authority/Licensors. TSPs have invested on such reliable and robust processes to ensure that there is no breach of the benchmarks and to ensure high level of customer satisfaction on the services provided by them and to ensure high brand value of the organization in this highly competitive market. The introduction of these "Quality of Service (Code of Practice for Metering and Billing Accuracy), Regulations, 2023" and associated self-audit and centralized billing system audits would only result in administrative difficulties and increased compliance requirements, which cannot be Authority's intention.
5. In addition, we submit that the "Quality of Service (Code of Practice for Metering and Billing Accuracy), Regulations, 2023" would have an adverse impact on ease of doing business. As stated above, TSPs have reliable systems in place to keep checks and balances on all customer- and network-centric metrics. Even though the Government and the Industry are working to reduce the compliance burden in the telecom sector



through various reforms for "Ease of Doing Business," any such implementation of the Regulations would be detrimental given the cumbersome requirements it will place on the TSPs.

6. TRAI has proposed a three layered approach for the audits:
 - i. Self-evaluation of M&B systems by the service providers before commencement of Audit.
 - ii. Audit of Metering & Billing Audit System (Centralised/De-centralised) by Auditor before commencement of LSAs audit.
 - iii. Audit of all LSAs at least once in financial year.

This three layered approach is way more cumbersome than the already existing process and goes against the intent of consultation process and also against the principles of "light touch regulations" and hence is not required.

7. It is also important to highlight that in order to comply with the above requirements of the three layered approach outlined in the "Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023," a significant amount of staff and storage capacity will be required, resulting in a financial burden on the Service Providers.
8. We further submit that the proposed intrusive regulatory framework would be against the Authority's own stated and practiced light-touch regulation policy and would be counterproductive. Thus, the additional provisions relating to metering & billing processes, excessively or unreasonably, shall lead to multiplicity of audit(s) making this entire process further complex.
9. In view of the above, there is an urgent need for the Authority to **review and repeal the proposed audit procedure** which will lead to not only the administrative and financial burden but also would require additional manpower to monitor and support the audit requirements which expands for the complete year covering all LSAs.
10. Moreover, we understand from our member service providers that in the last five years, there were no critical instance of irregularity or non-compliance observed from the metering and billing audit of members.
11. We submit that the TSPs are overburdened by the already existing Audit system and this proposed "Quality of Service (Code of Practice for Metering and Billing Accuracy), Regulations, 2023" which concentrates on the 3 layered approach which includes self-evaluation would only be even more cumbersome than the already existing processes.
12. Hence, in furtherance to the above, the "Quality of Service (Code of Practice for Metering and Billing Accuracy), Regulations, 2023" **should not be implemented** as this whole process/procedure shall overburden the TSPs and will be counterproductive for the telecom sector.



13. In view of the above, we submit that the prevalent provisions of various TRAI regulations/directions for information dissemination are sufficient to ensure transparency, empowers customers to make informed decisions about telecom services, and protect their interests.
14. Hence, **no further regulatory intervention is required** by means of the proposed draft regulation and **instead the existing Metering and Billing Regulations have become redundant and should be repealed**. We submit that this will be in line with TRAI's own policy of light-touch regulation.
15. However, if the Authority intends to continue with the audit, the same can be carried out on the basis of 1 sample LSA in a year. Further, the sample LSA audit should be based on the currently applicable M&B Regulations, which can be further simplified, and not as per the proposed Regulation.

In addition, we request the Authority to hold an open house discussion on this draft regulation, post submission of comments submitted by stakeholders.

16. With regard to **Financial Disincentives**, we submit as under:
 - i. That the proposal made by TRAI regarding the quantum of financial disincentive is excessive. Authority is requested to differentiate between procedural delays and substantial violations and the financial disincentives for the procedural delays in submissions and refund processing should be removed.
 - ii. Since the audit process covers various aspects of Metering & Billing systems such as tariff information to customers, provision of services, test call set-up, CDRs ratings and accuracy of measurement, complaint management including Root Cause Analysis etc., it calls for large-scale compilation of information from across service areas covering various processes and data / information extraction from billing & related systems. All these activities are time consuming and to be necessarily carried out for the completion of the audit and cannot be shortened in any manner.
 - iii. Further, the delays may not be alone on part of the service provider at all times and this could also happen at Auditor end due to the complex nature of the audit in terms of understanding of various processes and data sources/ systems, selecting the tariff plans, providing sample cases for CDR rating, availability of preliminary observations for further discussion and closure etc.
 - iv. **Therefore, it is suggested that the provision for imposing FD for delay in submission of Audit reports/ ATR by TSPs should be discontinued.**



While we are of the view, and hence recommend that the requirement of M&B audit should be done away with on the industry. However, if the Authority still decides to continue with the extant regulation, the same should be further simplified and eased out.

Our response to the specific clauses of the draft Regulations are as under:

Chapter – 1: Short title, extent and commencement

Clause (2): *These Regulations shall be applicable to all the service providers having:*

- (a) Unified Access Service License*
- (b) Unified License with authorization for Access Service*
- (c) Unified License for VNO with authorization for Access Service.*

COAI response:

- a. In India, flat charging has been widely embraced in place of the pulse-based charging era. With voice calls no longer being the primary focus of most tariff plans, the flat prices have ushered in a new era of telecom tariffing in the nation. The rates are now differentiated based on the amount of data allotted under a recharge voucher and how that data will be given, such as on a daily, monthly, or other schedule. All service providers often include voice minutes, SMS, and any additional advantages with the data in their most popular plans.
- b. Further, the majority of tariffs provide unlimited or sufficiently high bundled voice, SMS and data wherein the customer pays one-time fixed charges, thereby obviating the need for auditing of the charging mechanism.
- c. In light of the above, we believe that Metering and Billing Audit has become redundant and should be done away with.
- d. However, if the Authority intends to continue with the audit, same can be carried out on the basis of 1 sample LSA in a year. Further, the sample LSA audit should be based on the currently applicable M&B regulations, which can be further simplified, and not as per the proposed regulations.

Clause 3: *They shall come into force from the 1st day of April, 20XX.*

COAI response

- a. In view of previous submissions and as stated above, the time has come to do away with the requirement of M&B audit on the industry.
- b. However, if the Authority intends to continue with the audit, same can be carried out on the basis of 1 sample LSA in a year. Further, the sample LSA audit should be based on the currently applicable M&B Regulations, which can be further simplified, and not as per the proposed Regulation.



- c. Further, for implementation of revised provisions of existing M&B regulation the industry will take at least 3 quarters time from the date of notification.

Chapter 2: Definitions

Clause (e): *'overcharging' means failure of service provider to meet the commitment of the tariff offered either in terms of volume or price or both, as the case may be, which includes-*

- (i) *a chargeable event for which the charge to the subscriber exceeds the rates specified in the tariff plan opted by the subscriber; and*
- (ii) *any other amount charged, which is not part of the tariff plan opted by the subscriber.*

COAI response:

This definition should be revised as under:

'overcharging' means failure of service provider to meet the commitment of the tariff offered, which includes –

- (i) a chargeable event for which the charge to the subscriber exceeds the rates specified in the tariff plan opted by the subscriber; and
- (ii) neither any other amount charged, which is not part of the tariff plan opted by the subscriber nor any additional service subsequently opted by the subscriber.
- (iii) but it does not include any additional service subsequently opted by the subscriber.

This is because a subscriber can opt for any VAS, OTT or other additional service which is not part of tariff plan. Hence, such service, if chosen by subscriber, should not be part of overcharging.

Chapter 4: Appointment of auditor for audit of metering and billing systems

Clause 2: *"Provided also that the Authority may, for reasons to be recorded in writing, appoint any person, who meets the eligibility criteria specified by the Authority, to audit the accuracy of the metering and billing systems of a service provider and in that case, the service provider shall not appoint an auditor under this regulation".*

COAI response:

- a. We submit that the Auditor is appointed by the TSP after evaluation of the Auditor about their expertise of systems of TSP.
- b. The cost to perform this audit is also mutually negotiated between the TSP and auditor. It would be fundamentally wrong if TRAI is to appoint the auditor and the cost is to be borne by the TSP. Since there will not be any chance of mutual negotiation



if the auditor is appointed by TRAI, in which case, the cost of the same should be borne by the Authority.

- c. Thus, this clause is not at all needed since TRAI is already empowered under the TRAI Act and in the past TRAI has already carried out special audits through the appointment of its Auditors, hence, there is no specific empowerment required for the appointment of Auditors as mentioned in this clause and thus, this provision should be deleted.

Chapter 5: Audit of metering and billing systems and Licensed Service Areas

Clause (1) (a): *“the audit of the accuracy of metering and billing system, either centralized or distributed at different locations, is done before taking up the audit of any Licensed Service Area being served by that metering and billing system, as prescribed by the Authority;”*

COAI response:

- a. TSPs are already conducting various internal audits of their systems and processes at regular intervals. Corrective actions, if any, are taken to address any such findings and to ensure error-free billing and charging to the customers, thereby enhancing customer satisfaction and experience of the services.
- b. It is to be noted that the proposed system audit by auditors is unnecessary and this clause needs to be deleted.
- c. However, the present method of CDR-based M&B audit may be continued albeit on a sample LSA basis only, which can be further simplified, and not as per the proposed Regulation.

Clause (1) (c): *“all of its Licensed Service Areas are audited for accuracy of metering and billing at least once in a financial year”.*

COAI response:

- a. The present service area level audits are onerous and unnecessary.
- b. Therefore, we submit that the audit should be carried out on the basis of 1 sample LSA in a year. Further, the sample LSA audit should be based on the currently applicable M&B Regulations, which can be further simplified, and not as per the proposed Regulation.

Clause (2): *“Every service provider shall submit to the Authority, every year, by the fifteenth day of May, its annual schedule of audit, containing the details of Licensed Service Areas to be audited as per sub-regulation (1):*

Provided that the Authority may modify the schedule submitted by the service provider and the service provider shall adhere to such modified schedule of audit”.



COAI response:

- a. We submit that the timelines prescribed are **not feasible** given the humongous tasks pertaining to the audit which include inter-alia extraction of CDRs, tariff vouchers, alignment of manpower for the audits, etc. The activities, as mentioned in the draft Regulation, 2023 are linked to each other and stringent that they are bound to lead to failure. It is **not possible to conclude all these activities for all the 22 licensed service areas, within a financial year.**
- b. In light of the same, in case the Authority decides to continue with the extant M&B regulation in a light touch way, this clause requirement should be amended to audit on the basis of 1 sample LSA in a year. Further, the sample LSA audit should be based on the currently applicable M&B Regulations, which can be further simplified, and not as per the proposed Regulation.

Clause (3): *“Every service provider shall, before the audit, conduct a self- evaluation of its metering and billing systems and Licensed Service Areas to be audited for the concerned quarter. A certificate in this regard needs to be submitted by the service provider to the auditor in conformity of the same”.*

COAI response:

- a. **We would like to highlight systems and processes implemented by the TSPs are ISO certified or equivalent thereof.** Credibility and confidence are established among consumers, clients, and other business partners through such accreditation.
- b. Moreover, Self-evaluation will be an additional activity which will add further complexity and challenges to the existing process and will also shorten the already crunched timelines.
- c. Accordingly, this new requirement of system audit is onerous and not in line with the ease of doing business and trust, and hence this clause should be **deleted**.

Clause (4): *“Every service provider shall provide to the auditor, the raw call data records as may be required by the auditor for conduct of audit, within fifteen days of receipt of request for such records from the auditor.”*

&

Clause (5): *“Every service provider shall provide to the auditor, all necessary documents/information required for audit, other than raw call data records, within seven days of receipt of request for such documents/information from the auditor”.*

&

Clause (6): *“Every service provider shall provide to the auditor, its comments on an audit observation, within fifteen days of receipt of such observation, for inclusion of such comments in the audit report.”*



COAI response:

- a. We submit, that the audit should be carried out on the basis of 1 sample LSA in a year and, the existing timelines of 30 days should be revised to 30 working days.
- b. Thus, all the timelines under the Metering and Billing Audit Regulation which are being measured in 'days' should be changed to 'Working Days', excluding the day of providing the requirement by the Auditor as well as the day of submission of information to Auditor.

Clause (8): *“In addition to the audit under sub-regulation (1), the Authority may audit accuracy of metering and billing system of any service provider, either on its own or through any auditor, which may or may not be on the panel notified under regulation 4.”*

COAI response:

- a. This clause is not at all needed since TRAI is already empowered under the TRAI Act and in the past TRAI has already carried out special audits through appointment of its Auditors, hence, there is no specific empowerment required for the appointment of Auditors as mentioned in this clause.
- b. Further, we submit that the requirement of the M&B audit should be done away with.

Chapter 6: Action by service provider on the instances of overcharging noticed by it and reporting thereof-

Clause (1): *“If the service provider notices an instance of overcharging during the self-evaluation under sub-regulation (3) of regulation 5, it shall take immediate action to rectify the error in its metering and billing system, identify the subscribers affected by such overcharging in every Licensed Service Area served by the metering and billing system and calculate the total amount overcharged from each of such subscribers.”*

COAI response:

- a. This clause is not required since the TSPs already have matured and robust systems for internal audit in place.
- b. TSPs are already conducting various internal audits of their systems and processes at regular intervals. Corrective actions, if any, are taken to address any such findings and to ensure error-free billing and charging to the customers, thereby enhancing customer satisfaction and experience of the services.
- c. This requirement of self-evaluation is onerous and excessive and will make the entire audit process very cumbersome.
- d. Such an intrusive regulatory framework would be against the Authority's own stated and practised light-touch regulation policy.



- e. Hence the proposed clause should be deleted.

Chapter 7: Action by service provider on the instances of overcharging noticed by it and reporting thereof.

Clause (3)(a): *“If, on analysis under sub-regulation (2), the service provider finds the audit observation to be correct, it shall – take immediate action to rectify the errors in its metering and billing system, identify the subscribers affected by such overcharging in every Licensed Service Area served by the metering and billing system and calculate the total amount overcharged from each of such subscribers in the manner specified under sub-regulation (2) of regulation 6, within fifteen days of the receipt of audit observation under sub-regulation (1);”*

&

Clause (3)(b): *“refund the overcharged amount calculated under clause to the subscribers, within three months of the receipt of the audit observation under sub-regulation (1): Provided that in case of any overcharge amount remains pending to refund after three months, the service provider shall continue to make effort to refund such amount to the subscribers, subject to the provisions of regulation 10:*

Provided further that in case the service provider fails to refund any overcharged amount to the subscriber within twelve months from the date of receipt of the audit observation under sub-regulation (1), it shall transfer the amount to the credit of the Telecommunication Consumers Education and Protection Fund, as per the provisions of the Telecommunication Consumers Education and Protection Fund Regulations, 2007 (6 of 2007).”

&

Clause (3)(c): *“submit to the auditor, within fifteen days of the receipt of audit observation under sub-regulation (1), its comments on such observation and the action taken or proposed to be taken by the service provider thereon, which shall be recorded in the audit report along with the final recommendations of the auditor.”*

COAI response:

- a. While we are of the view and recommend that the requirement of M&B audit should be done away with.
- b. However, if the Authority still decides to continue with the extant regulation, all the timelines should be further relaxed and the timelines should be defined in terms of working days.

Chapter 8: Submission of audit report and action taken report.

Clause (1): *“Every service provider shall submit to the Authority, within three months from the end of the respective quarter, the audit report, duly certified by the auditor, of access services provided on wireline and wireless media, separately, for each metering and billing system and each Licensed Service Area audited, in such format as the Authority may direct, from time to time.”*



COAI response:

The frequency of submission of audit reports and the ATR should continue to be on an annual basis as already applicable in the present Regulation.

Chapter 9: Consequences for failure of the service provider to submit audit report or action taken report.

Clause (1): *“If any service provider contravenes the provisions of regulation 8, it shall, without prejudice to the terms and conditions of its license, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay an amount, by way of financial disincentive, not exceeding rupees one lakh per report for every week or part thereof during which the default continues, subject to a maximum of rupees fifty lakhs per metering and billing system, or as the case may be, per Licensed Service Area, as the Authority may, by order, direct:*

Provided that no order for payment of any amount by way of financial disincentive shall be made by the Authority, unless the service provider has been given a reasonable opportunity of representing against the contravention of the regulation observed by the Authority.”

COAI response:

- a. We would like to re-iterate our submission in point no. 16. i.e., no FD should be applied in the case of procedural delays.

Chapter 13: Retention of records

Clause (1): *“Every service provider shall preserve the records pertaining to a financial year, required for compliance of these regulations, for two years after completion of the financial year, subject to the period prescribed in respective license.”*

COAI response:

- a. This requirement is onerous and the CDRs along with necessary data and analysis are already provided to the Auditor who analyses and shares the same with the Authority as well.
- b. Considering the above, if TSPs are still required to store the data, the requirement should not be for more than one year.
