

**TELECOM REGULATORY AUTHORITY OF INDIA**

**9<sup>th</sup> June, 2003**

**Press Release No. 09/2003**

**TRAI Releases Consultation Note On A Format For Simplifying Tariff Information  
Provided to Customers**

The Authority has received a number of representations stating that the tariffs are specified in a manner which makes it difficult for the customer to know the financial implications of these tariffs. The Authority has also noted that there are a number of tariff packages which combine monthly recurring charges together with relatively low call charges. The effective call charge paid by the subscriber under these packages is more than the amount indicated as call charge. For these reasons, the Authority is considering specification of a format which would give a minimum information on the tariffs being provided. This format must be included in any advertisement for a particular tariff package. This information will help the consumer to be better aware of the overall financial expenditure incurred under any particular tariff package, and will also help the consumer to better compare various tariff packages which are on offer and are being advertised.

The attached Table gives the format under consideration by the Authority. In addition, the Authority has provided an example with an Illustrative tariff, which should be seen only as such. The Authority invites comments on the format, in order to identify gaps/errors and to make any improvements. In making the comments, it is requested that we bear in mind the need to have as simple a format as possible.

The comments should be provided to the Authority latest by 23<sup>rd</sup> June, 2003. For more information, please contact Dr. R. Joshi, Advisor (Economics), TRAI. Tel. No. 26160752, Email address: [traio1@bol.net.in](mailto:traio1@bol.net.in). The Fax No. of TRAI is 26103294.

**FORMAT FOR INFORMATION ON TARIFF PACAKAGE**

Name of Tariff Package						
1. Rental + other fixed monthly recurring charges (Rs. per month)						
2. Interest on Advance Payment/deposit taking interest @ 8% (Rs. per month)						
3. Free Call Allowance						
<b>4. Implicit call charge, including airtime charge, long distance charge etc. (Rs. per minute)</b>	Local Calls to:			Inter Circle STD >500Kms to:		
	Fixed	WLL(M)	Cellular	Fixed	WLL(M)	Cellular
Pulse rate (seconds)						
(a) for calls upto free call allowance						
(b) for upto Free Calls PLUS 100 minutes						
(b) for upto Free Calls PLUS 500 minutes						

Explanatory Notes:

1. Other Fixed Monthly Recurring charges include [Plan Fee, Membership Fee, Commitment charges, Any additional charges for availing a discount, any other] **(please specify)**
2. Implicit charge is calculated as follows: [amount in rows 1 and 2, plus the amount paid for calls other than free calls] **divided by** number of minutes used. The implicit charge should include the total amount paid for the call by the customer. For example, in the case of cellular mobile, the air time charge and any long distance charge should be combined together for the calculation.
3. The basis for converting any free call allowance and other calls into a per minute rate should be explained

## **ILLUSTRATIVE FORMAT FOR INFORMATION ON TARIFF PACKAGE**

Name of Tariff Package	Illustrative Tariff					
1. Rental + other fixed monthly recurring charges (Rs. per month)	250					
2. Interest on Advance Payment/deposit taking interest @ 8% (Rs. per month)	20					
3. Free Call Allowance	50 Metered Call Units					
<b>4. Implicit call charge, including airtime charge, long distance charge etc. (Rs. per minute)</b>	<b>Local Calls to:</b>			<b>Inter Circle STD &gt;500Kms to:</b>		
	<b>Fixed</b>	<b>WLL(M)</b>	<b>Cellular</b>	<b>Fixed</b>	<b>WLL(M)</b>	<b>Cellular</b>
Pulse rate (seconds)	<b>(180 seconds)</b>	<b>(90 seconds)</b>	<b>(60 seconds)</b>	<b>(15 seconds)</b>	<b>(15 seconds)</b>	<b>(20 seconds)</b>
(a) for calls upto free call allowance	1.80	3.60	5.40	5.40	5.40	5.40
(b) for upto Free Calls PLUS 100 minutes	1.24	2.00	2.60	5.00	5.00	4.20
(b) for upto Free Calls PLUS 500 minutes	0.72	1.17	1.58	4.85	4.85	3.76

### Explanatory Notes:

1. Other Fixed Monthly Recurring charges include [Plan Fee, Membership Fee, Commitment charges, Any additional charges for availing a discount, any other] **(please specify)**

2. Implicit charge is calculated as follows: [amount in rows 1 and 2, plus the amount paid for calls other than free calls] **divided by** number of minutes used. The implicit charge should include the total amount paid for the call by the customer. For example, in the case of cellular mobile, the air time charge and any long distance charge should be combined together for the calculation.

3. The basis for converting any free call allowance and other calls into a per minute rate should be explained **[In the above case, call charge is taken as Rs.1.20 per Metered Call Unit. The call duration is taken as follows: for calls with pulse rate more than one minute, the duration of the call is taken as being equal to the pulse rate; for calls with pulse rate less than one minute, the duration is taken to be one minute. The parentheses in the Table show the pulse duration for different types of calls.]**

### Examples of calculations:

- (a) For free calls up to free call allowance, the per minute charge for local calls to fixed network =  $(250 + 20) \div (50 \times 3) = \text{Rs. } 1.80 \text{ per minute.}$
- (b) For calls up to free calls plus 100 minutes, the per minute charge =  $[(250 + 20) + (1.20 \div 3) \times 100] \div [100 + (50 \times 3)] = \text{Rs. } 1.24 \text{ per minute.}$